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NATO Planes 'Ready To Attack' Bosnian Serbs

AU2110145093 Paris AFP in English 1437 GMT 21 Oct 93

[Text] Travemuende, Germany, Oct 21 (AFP)—NATO warplanes stand ready to attack Bosnian Serbs if asked to help break the siege of Sarajevo and other Moslem communities, Secretary General Manfred Woerner said Thursday [21 October].

Woerner told a news conference after a two-day meeting of alliance defence ministers that NATO's plans to use air power once requested by the United Nations are "not an empty threat."

"Aircraft are in place to carry them out if and when required," Woerner said. But he added, "it is too early now to say the situation is such that it needs (air) strikes."

Some 60 U.S., British, French, Dutch and Italian warplanes have been deployed in Italy since NATO offered their services in August to help remove obstacles to relief deliveries in Bosnia-Herzegovina.

Although the prospect of western military action in Bosnia has receded in recent months, new Serb shelling of Sarajevo drew a pointed reminder from the United States that the air strike option was open.

Woerner also said the North Atantic Treaty Organisation remained "ready and willing" to support the implementation of a peace plan for Bosnia once agreed by the warring Serbs, Moslems and Croats.

But he reiterated that the 16-member alliance would act only if the conditions were right, including unified command and control, a clear mandate and accetpable rules of engagement.

Doubts have grown about whether NATO can field a projected 50,000-strong force for Bosnia, which had been expected to include up to 25,000 troops from the United States.

But U.S. Defence Secretary Les Aspin reaffirmed here Washington's pledge to contribute a "significant" number of troops despite growing congressional opposition fueled by peackeeping setbacks in Somalia.

European countries have also been reluctant to contribute troops beyond the nearly 10,000 deployed under UN auspices to guard relief operations in the former Yugoslav republic.

NATO sources confirmed that no new European members made offers of troops here beyond Norway, the Netherlands and Turkey which had expressed their willingness to help previously.

With NATO officials acknowleding that the raising of a Bosnia peace force could be a key test of the alliance's credibility as a peacekeeper, Woerner defended its record in Bosnia.

He said NATO had done all that was asked of it, such as enforcing a no-flight zone or patrolling the Adriatic Sea to enforce a UN embargo slapped on the Serbs, "quickly and efficiently."

One lesson from the nearly 19-month-old conflict, Woerner said, was that "we have to improve our consultative process inside the alliance to deal earlier with crisis situations as they evolve."

Klaus Speaks on Privatization at Mexico Conference

LD2110221393 Prague CTK in English 2045 GMT 21 Oct 93

[Text] Cancun, Oct 21 (CTK)—Czech Premier Vaclav Klaus, speaking to delegates of the International Chamber of Commerce (ICC) today, stressed the difference between privatisation being undertaken in the East and West.

Klaus said privatisation was the most important element of the transformation of the Czech Republic. The economy could not be cured without the fundamental reform of property relations.

There was no doubt, he continued, that it was by privatisation that the changes afoot in the Czech Republic differed from perestroyka.

Not perestroyka but real, wholesale change was needed to repair the damage left by the communist system, he said. In the political sphere a stable and effective multiparty system had been abolished in administration, a strictly defined legal framework regulating government institutions disappeared in the economic area there was no legislation on property, which was, Klaus said, a precondition for prosperity.

Western privatisation had little in common with Eastern privatisation, he said. In the East it did not mean how to make the most money: it meant the creation of essential property legislation.

What was vital was that privatisation take place as quickly as possible, and that the government realise its administrative role so that privatisation transactions are not initiated only on the governmental level.

Klaus arrived in Mexico on Sunday after visiting the U.S. and Guatemala. Tonight he leaves for Bonn where he will speak at the international forum organised by the Bertelsmann Foundation. He returns to the Czech Republic on October 24.

DAP Holds News Conference on Belgrade Visit

AU2110172393 Tirana Radio Tirana Network in Albanian 1430 GMT 21 Oct 93

[Text] Representatives of the Democratic Alliance Party [DAP] held a news conference this morning in Tirana. The main topic was the Belgrade visit made by a delegation of this party and the talks conducted there with Serbian politicians and ministers.

The communique issued by the presidency of the Democratic Alliance in connection with the Belgrade visit by some of its representatives states, among other things, that the party took a step toward dialogue with the northeastern neighbors in conformity with its program. It stresses that the option of peace and coexistence cannot be attained without contacts. In connection with the question of Albanians living in their territories in former Yugoslavia, the DAP representatives stressed that the problem must be resolved within the context of a global solution of the Yugoslav problem, one of the dominant factors of which lies in the political will of the Albanians in former Yugoslavia.

Through its visit to Belgrade, the DAP, with its liberal-democratic convictions, broke a taboo and followed a precedence made when President Bulatovic of Montenegro was received by high Albanian officials. The DAP believes that the new Albanian political class in power and in opposition is capable of emerging from the bunkers of totalitarianism and of discussing with dignity about all national and regional problems.

Messrs. Imami and Ngjela then answered questions posed by journalists. They considered the preparation of a file for top Albanian political authorities in connection with the Belgrade visit to be a moral duty, but did not believe it to have been their duty to have prior consultations with [Albanian] President Berisha and [Kosovo] President Rugova, because they did not undertake this visit by state mandate.

They stressed that the main purpose of their visit was to meet the leader of the Serbian opposition, Draskovic. They also declared that the Kosovar intellectual, Rexhep Qosja, was not in agreement with the visit. The DAP representatives stated that their party can make no alliances, because this is the prerogative of the state.

They considered the Albanian media reaction to be unfounded, terming their visit as an act of political courage. As for the negative reaction of Kosovar politicians and public opinion, the DAP representative, Preng Zogaj, pointed out that Kosova has a different viewpoint, since the Kosovars live under special conditions. As for the DAP's relations with Kosovar parties, another member of the party, Mr. Ngjela, pointed out that the Kosovar parties have no links with the DAP, but only with the party in power in Albania, since the PAD cannot help resolve their problems.

Regarding the national question, Mr. Imami said that the visit served the national cause and declared that they would continue to make visits anywhere without prejudicing Albanian policies.

President Berisha Names New Bank Governor

AU2010144193 Tirana ATA in English 0913 GMT 20 Oct 93

["Dylber Vrioni Appointed Governor of the Bank of Albania"—ATA headline]

[Text] Tirana, October 20 (ATA)—By special decree, the president of Albania, Sali Berisha, named on October 19 Mr. Dylber Vrioni in the post of governor of the Bank of Albania instead of Mr. Ilir Hoti, who was released from this post.

Zhelev Meets With IMF Delegation

AU2210065693 Sofia BTA in English 1936 GMT 21 Oct 93

[Text] Sofia, October 21 (BTA)—Bulgarian President Zhelyu Zhelev today received the International Monetary Fund Mission [IMF] which arrived in Bulgaria earlier this week. The leaders of the mission Mr. Singh and Mr. Kincaid emphasized the need for a consensus of the political forces in Bulgaria on three major points: The signing of a third standby arrangement with the fund, an agreement with creditor banks and indirect compensations for the Yugoembargo-related losses, said president's economic adviser Boyan Slavenkov. President Zhelev advanced the same idea.

The fund's former permanent representative in Bulgaria and present leader of the Department for Eastern Europe Annoup Singh was encouraged after the meeting.

According to Mr. Slavenkov, The participants discussed strict conditions and deadlines Bulgaria should meet to sign a new arrangement with the fund.

Earlier today, Annoup Singh and Russel Kincaid and World Bank representative John Wilton conferred with members of parliament's Legislative Committee. The guests showed interest in the probability of speedily passing amendments to operative laws and new laws, mainstays of the macro-economic framework - the 1994 national budget act and the tax, profit, privatization, bad debts and bankruptcy laws. The delay of these key laws is deferring the implementation of the IMF programme for Bulgaria and the parliamentary forces have to reach a consensus to pass them, said Mr. Singh. According to the chairman of the Legislative Committee Aleksandur Dzherov, there is no realistic opportunity to pass all those acts by year-end, as at this stage parliament is strongly politicized and parliamentary disputes take up much of the debating time.

The mission also met with National Assembly Chairman Aleksandur Yordanov.

Zhelev Denies Involvement in Corruption Case

AU2110190993 Sofia BTA in English 1650 GMT 21 Oct 93

[Text] Sofia, October 21 (BTA)—The president's spokesman Valentin Stoyanov said today President Zhelyu Zhelev had not received information implicating senior officers of the Interior Ministry in corruption or anyone of the staff of the office of the president in espionage.

"The fact that 'top secret' information on the work of a parliamentary subcommittee was leaked to four major dailies points to a gross manipulation by the so-called anonymous source and the forces behind him. It is intended to discredit the office of the president through false accusations, as well as to cause friction between the power structures. President Zhelev keeps strictly within his constitutional powers and acts only on the basis of verified and proven facts.

"President Zhelev insists that the Parliamentary National Security Committee clarify the circumstances under which the scandalous information was leaked and that the culprits be prosecuted," Mr. Stoyanov said.

Under sensational headlines, four dailies, STANDART NEWS, KONTINENT, DUMA, and TRUD yesterday front paged reports on the progress of an inquiry held by a six-member subcommittee of the Parliamentary National Security Committee, into the dismissal of Arlin Antonov, director of the National Security Service.

The subcommittee's findings include corruption and deliberate leaks of information from the higher echelons of the Interior Ministry and the National Security Service, creation of parallel structures and acts verging on high treason, the four dailies reported. The subcommittee questioned four persons, Arlin Antonov included. Reportedly, they provided facts proving that senior staff members of the Interior Ministry and the National Security Service were involved in underhand financial dealings and served certain economic interests. According to those questioned, a man closely linked with the office of the president is involved in espionage, for which the service's West Europe Department holds sufficient evidence. The MP's stated definitively that Minister of the Interior Viktor Mikhaylov was not involved and there were no allegations against him, the dailies said.

The MP's, who were given two weeks to complete the inquiry, would ask for another two weeks and for suspension from duty of two senior officers of the Interior Ministry during the inquiry, according to the dailies. If the National Security Committee denies the request, the subcommittee is ready to collect the required number of MP's' signatures for a closed-door sitting of parliament and to move for a vote of no confidence in the government, the four dailies said yesterday.

Speaking at a news conference today, Minister of the Interior Viktor Mikhaylov said he had learned about the subcommittee on "the Arlin Antonov case" from the newspapers. He said he did not know what exactly it was doing and who had been questioned as none of its members had contacted him. Mr. Mikhaylov said he was not going to resign because one or more of his officers had made a mistake. He would do so only if it were proved that he had covered up for some of his subordinates.

Cabinet Discusses 1994 Draft Budget

AU2110171593 Sofia BTA in English 1454 GMT 21 Oct 93

[Text] Sofia, October 21 (BTA)—The key parameters of the 1994 budget bill are a GDP of 500,000 million leva,

6 percent budget deficit, and 28-30 percent inflation rate. The cabinet started a discussion on the Budget Bill today.

The cabinet ministers approved the key parameters of economic policy fixed in the bill, the cabinet Press Office said after the meeting. Deputy Finance Minister Dimitur Kostov said the discussion focused on the general framework of economic policy, of which the Budget Bill is part, and the fiscal policy proposed by the Finance Ministry.

The proposed economic parameters aim to keep the two parts of the economic reform, stabilization and structural adjustment, in equilibrium, Mr. Kostov stressed. The main instrument is the budget deficit, limited to 6 percent of the GDP through higher budget revenues, limited expenditure and rationalized budget structures. The Finance Ministry proposes that the public services system—health care, education and national security, should be rationalized so as to maintain it on the country's scare resources, Mr. Kostov said.

During the discussion the cabinet ministers claimed specific budgets for their sectors. The Council of Ministers assigned Finance Minister Stoyan Aleksandrov to hold talks with the ministries and submit the final version of the budget bill by November 10. There is a proposal for the National Council for Tripartite Cooperation to take a stand on the Budget Bill.

Petrov Warns of Army's 'Catastrophic Financial' State

AU2110181593 Sofia TRUD in Bulgarian 18 Oct 93 p 1

[Report by Mariyan Draganov: "As of November Army Will be Hungry"]

[Text] The General Staff cannot be held responsible for the Army's combat readiness and its ability to defend the Republic, if the necessary financial means are not ensured. This is a warning included in a special report of Army General Lyuben Petrov, [chief of the Bulgarian Army General Staff]. The document was discussed by the Supreme Military Council on 30 September, and was addressed to four people only: President Zhelev, Prime Minister Berov, National Assembly Chairman Aleksandur Yordanov, and Defense Minister Valentin Aleksandrov.

Our Army has only enough food supplies for October. The funds allocated for material needs cover only two thirds of what is required, and are insufficient for the troops' winter supplies. As a result, the reserves stored in the central warehouses, which the Army is required to keep by regulations, have been exhausted, and at present it is becoming necessary to use reserves of emergency mobilization rations, General Petrov maintains. The Army requires 2.9 billion leva to be able to carry out its tasks.

"If the minimum necessary funds that the Army requires are not ensured, the Bulgarian Army General Staff cannot be held responsible for the situation in the Army, its combat ability, and its readiness to implement its tasks related to protecting the country's territorial integrity," Army General Petrov warns.

If it was possible to draw an combat analogy, our situation could be compared to an army that is fighting for the seventh day, having suffered heavy losses each day. Because of the catastrophic financial situation the Army cannot use 20-30 percent of its combat equipment, the defense minister himself recently warned. On 9 October, Valentin Aleksandrov demanded a closed National Assembly session, at which Army General Petrov could brief the esteemed deputies on his special report. However, so far the deputies, the Presidency, and the Council of Ministers have not expressed their position.

Statistical Institute Reports Drop in Output

AU2110171693 Sofia BTA in English 1523 GMT 21 Oct 93

[Text] Sofia, October 21 (BTA)—Output dropped 10.6 per cent in the January-September period, Dimitur Fratev, spokesman for the National Statistical Institute (NSI), said at a news conference today. This is half the decrease in 1992 but still is more than was projected. State-owned and cooperative enterprises reported sales to the amount of 251,200 million leva, an 11.9 per cent drop from the same period of 1992. Industry accounts for 59 per cent of sales.

Sales in September reached a nine-month high at 31,200 million leva, an 11 per cent gain from August, the NSI said.

Yet the receipts of two-thirds of the enterprises were below last year's level. Most of them operated below capacity for lack of markets and because of a shrinkage in production.

Experts project the 1993 GDP at 290-310,000 million leva and the 1994 GDP at 450-460,000 million leva.

Inflation in September ran at 3.8 per cent. Inflation in the first nine months reached 45 per cent. NSI forecasts envisage inflation reaching up to 60-65 per cent this year.

Klaus on Hungary's Border Change Intentions

AU2110160293 Bratislava REPUBLIKA in Slovak 20 Oct 93 p 1

[TA SR report: "A Change to the Borders Is Possible!"]

[Text] Prague—"It is apparent that the new 'homemade' law approved by the Hungarian Parliament on the rights of minorities, which, moreover, has allocated unprecedented resources from the state budget—in which not enough funds are to be found even for the most pressing social expenditure on ethnic Hungarian citizens—testifies to something." This statement was made by Josef Vesely, a leading Czech commentator, in the monthly MEZINARODNI POLITIKA [International Policy].

We asked Prime Minister Vaclav Klaus whether he has the feeling that when Hungarians refer to minorities, considerations about the possibility of a peaceful change to the borders are not in fact being concealed behind this, wrote the author. The Czech prime minister replied as follows: "This merely involves thinking through a specific matter to a definitive, logical conclusion; the Hungarian emphasis on the minority issue and their pressure for minorities in foreign countries to become administrative units and for them to possess all rights, including the right to self-determination and so on, is—in the final analysis—nothing other than what you have just said."

We talked to I. Baba, deputy state secretary at the Hungarian Foreign Ministry, wrote Vesely. Baba declared that he sees nothing unusual about the ideas for a peaceful change to the state borders in Central Europe. Therefore, we should not be surprised at the caution displayed by all of Hungary's neighbors—especially Slovakia and Romania—concluded the commentator.

Baudys Welcomes Aspin's Statement on NATO

LD2110220293 Prague CTK in English 2034 GMT 21 Oct 93

[Text] Prague, Oct 21 (CTK)—Czech Defence Minister Antonin Baudys today said he welcomes very much the statement by U.S. Defence Minister Les Aspin about the former communist countries' NATO membership, calling it a very positive signal.

It is clear that NATO wants to cooperate though the rate of intensity and commitment may be different, Baudys was quoted as saying by his ministry's spokesman Zdenek Borkovec.

Baudys was reacting to a statement by Aspin at a NATO defence ministers' informal meeting in Travemunde, Germany, on Wednesday. Aspin proposed that NATO sign defence cooperation contracts with former east bloc countries which could lead to their membership in the alliance. But membership would not be promised to them on signing the contracts and they would not be promised automatic protection from the alliance, he said.

* * *

Jan Kasal, deputy chairman of the Chamber of Deputies of the Czech parliament and of the Christian Democratic Union-Czechoslovak People's Party (KDU-CSL), told CTK he would try to find out to what degree the U.S. position had been influenced by a recent letter from Russian President Boris Yeltsin to NATO countries' leaders.

On September 30, diplomatic sources announced in Paris that in his letter, Yeltsin warned against NATO's extension by admitting former east European communist states. Instead, he proposed that their security be guaranteed jointly by the alliance and Russia, REUTERS reported.

We are slightly afraid whether two great powers are not again involved in a certain kind of negotiations which are not publicised, and whether this (Aspin's proposal called Partnership for Peace) is not one of the results of the negotiations, Kasal said.

He added he did not have any evidence to support his claim, but he was simply afraid of this at the moment.

Havel Receives World Bank Delegation

AU2110134693 Prague CTK in English 2023 GMT 19 Oct 93

[Text] Prague, Oct 19 (CTK)—The World Bank is ready at any time to offer help to the Czech Republic, Bernard Snoy, an executive director of the International Finance Corporation, is quoted as having said by Presidential Spokesman Ladislav Spacek during Snoy's visit to Czech President Vaclav Havel today.

Havel pointed out that although the Czech Republic had been the most socialist country with the most conservative regime among the communist states, the economic transformation was successful.

Havel expressed the opinion that this could have been caused by the fact that Czechoslovakia had been among the advanced industrial countries before world War II, Spacek announced.

Snoy, director of the World Bank Belgian branch within whose competence the Czech Republic falls, paid respect to Havel as a distinguished personality of the dissident movement who had played an important role in the establishment of democracy in the Czech Republic, Spacek reported.

According to Spacek, Havel told Snoy that, apart from the dissent, a less visible group of economists had been active in Czechoslovakia who came to the fore after November 1989 the overthrow of the communist regime. A number of them are present ministers, Havel added.

The World Bank representatives expressed satisfaction with the course of the economic transformation and

stabilization of the Czech Republic which they consider very important, Spacek reported.

The world bank delegation has been on a tour of European countries in a search for untypical projects by means of which it wants to promote cooperation between the member countries.

Dyba Wants World Bank To Invest in Private Sector

AU2110143893 Prague CTK in English 1446 GMT 19 Oct 93

[Text] Prague, Oct 19 (CTK)—Czech Economics Minister Karel Dyba has asked that the World Bank increase the number of its loans to private businesses in the Czech Republic, he told CTK today.

Dyba met members of a World Bank delegation who arrived in Prague on October 17 for a four-day visit. Its aim is to gain information on the country's economic transformation and above all on privatization. It also intends to visit several commercial banks and companies, and to look into the possibilities of non-traditional forms of cooperation. The delegation will then visit Slovakia and Hungary.

On Monday, Finance Minister Ivan Kocarnik informed the delegation about the state of the Czech Republic's economy. There followed a panel discussion in which representatives of several privatisation funds participated.

The World Bank has provided the Czech Republic with around $300 million worth of loans to support structural reform. In September it approved a loan of $80 million to the SPT Telecom Company.

Kocarnik Comments on Claims With Slovakia

AU2110135093 Prague CTK in English 2315 GMT 19 Oct 93

[Text] Prague, Oct 19 (CTK)—About four tonnes of gold and a 33-percent share in former federal material reserves and the Federal National Property Fund will be held by the Czechs until agreement on the remaining claims and debts is reached with Slovakia, Ivan Kocarnik said tonight.

Speaking on Czech Television, Kocarnik, Czech finance minister, said that recognition of the Czech claim to 24 billion korunas (about $800 million), which arises from the division of the former Czechoslovak State Bank, was of key importance.

He said that even earlier agreements took into consideration the fact that Slovakia would not be capable of repaying it immediately, but that it would do so gradually.

Kocarnik pointed out that he and his Slovak counterpart, Julius Toth, agreed during their stay in Washington, where they attended an annual session of the International Monetary Fund (IMF) in September, to meet sometime in October and to discuss the issue.

Thus far, the situation has not changed essentially with regard to the 24 billion claim. Partial agreement has been reached on outside debts, Kocarnik said.

The Slovaks have reached the conclusion that the audit by independent experts, which they had expected to make it clear whether or not the Czech Claim was substantiated, had cost them unnecessarily much money, Kocarnik said. Thereby they indirectly recognized that the figures presented by the Czechs were correct, he added.

Opposition Deputies Criticize Security Report

AU1910151893 Prague CESKY DENIK in Czech 14 Oct 93 p 2

[Report by Stanislav Knenicky: "The Chamber Discussed Minister Ruml's Report on the Security Situation in the Czech Republic"]

[Text] Yesterday Minister Ruml presented a report on the security situation in the Czech Republic to the Chamber of Deputies. He described the current situation as serious, but extensive systemic measures are allegedly in the works. Subsequently, certain opposition deputies sharply criticized the security situation.

The Chamber of Deputies acknowledged the interior minister's Report on the Security Situation in the Czech Republic and, by its resolution, asked the government to submit a similar report containing the findings of all sectors, including the Ministry of Defense and the intelligence services.

Moreover, it asked the government to present social prevention and crime prevention programs by the end of the year.

As Interior Minister Ruml mentioned in the oral supplement to the report, the security situation in the Czech Republic is serious, above all because of the rising-crime trend. Therefore, several specific measures—currently being prepared or implemented by the security sector—should bring about a change in this unpleasant development. As an example, the minister spoke of the creation of specific territorial projects to curb certain types of crime and general reinforcement of the so-called patrolling order-enforcing police.

During the discussion of the submitted report, several opposition deputies took the floor, among them deputy J. Wagner (Czechoslovak Social Democratic Party), V. Votava and Z. Vorlicek (both Left Bloc), with a sharp criticism of the security situation in the republic. In his speech, Vorlicek accused the present political hierarchy of managing only "to finish off the poor morale of the

pre-November society by the introduction of the primitive ideal of money as the supreme value and the primitive idea of the practically complete non-involvement of the state."

As the interior minister observed after the discussion was closed, he felt that the comments of the opposition deputies did not contain any specific pronouncements regarding the report and were rather a "political exhibition of the deputies in question." Vladimir Suman (Civic Democratic Alliance), chairman of the Defense and Security Committee observed in this context that the some Left Bloc deputies even came to him to apologize for the "absurdities by Mr. Vorlicek."

Ministers See No Reason for Unions' Crisis Committee

AU2110135693 Prague CTK in English 2051 GMT 19 Oct 93

[Text] Prague, Oct 19 (CTK)—Czech ministers are surprised at the unions' intention to set up a crisis committee because there is no crisis in the country at present, Deputy Premier and Finance Minister Ivan Kocarnik said today.

Representatives of the Czech and Moravian Chamber of Trade Unions (CMKOS), the strongest in the Czech Republic, told CTK on Monday [18 October] that they considered premier Vaclav Klaus' response to a letter from trade unions a mere courtesy, lacking any concrete reply to a number of serious problems.

On Friday, October 22, the CMKOS leadership will hold an extraordinary session which will decide whether or not it is necessary and expedient to create a "Crisis Committee", CMKOS spokesman Vaclav Jurina told CTK.

In a letter addressed to Klaus on September 27, CMKOS chairman Vladimir Petrus claimed that the government was not fulfilling some points of the "General Agreement".

The agreement is concluded every year by the Tripartite, which comprises representatives of the government, unions and employers. It aims to maintain social peace during the period of transition from a central command economy to a market one.

Kocarnik today confirmed the earlier ministerial decision to reduce the tripartite to a bipartite within two years, with the government withdrawing.

He explained this by the progress made in transformation of the economy which allows the emphasis to be shifted to negotiations between unions and employers.

Kocarnik said Klaus had already received from the unions a draft general agreement for 1994, adding that it is excessively expansive and betrays the unions' endeavor to give the government various binding tasks, he added.

This is at variance with the government's position. The government believes the agreement should be much more general and the tripartite should be viewed only as a consultative body, Kocarnik said.

ODA Statement on 1994 State Budget

AU2110135493 Prague CTK in English 2124 GMT 19 Oct 93

[Text] Nouzov, Central Bohemia, Oct 19 (CTK)—The coalition party Civic Democratic Alliance (ODA) considers the state budget for 1994 to be a deficit one, National Property Fund (FNM) Chairman Tomas Jezek said today.

However, the ODA is concerned with the balance of all public budgets which means that it considers the FNM and the state budget as parts of the whole, Jezek said at a press conference during the ODA parliamentary group's session.

He added that the deficit had been caused by debts from past years and it was therefore quite legitimate that the fund would finance these debts.

The deficit is not a mistake in the economic policy of this government, it is a debt inherited from the past. It is totally appropriate that the national property fund cover it. Such a move is also in line with the fund's philosophy which aims to use its revenues to sweep away residues of the past, Jezek said.

The way in which Tomas Jezek very precisely characterized the state budget as de facto in the red but the aggregate public budgets as balanced and that he admitted the legitimacy of the FNM's use is the right interpretation, said the ODA's deputy chairman and minister of industry and trade, Vladimir Dlouhy.

The ODA made a critical analysis of the basic macroeconomic indicators constituting the state budget and arrived at the conclusion that the analysis and forecast of the country's economic development were correct, Jezek said. The priorities set in the budget were acceptable to the ODA and the party only had minor remarks to them, he added.

The volume of the deficit corresponded to 18.3 billion crowns (about $610 million)—the sum that the fund would contribute to the state budget, Jezek explained.

The ODA also dealt with funds allocated to communities. Starting next year, the ratio in which towns divide the revenues from taxes from dependent activities with district offices would be changed from the present 40/60 ratio to 50/50. This meant communities' economies would be reinforced, Jezek said.

He added that subsidies from the state budget to community budgets had been lowered by three billion korunas in the 1994 state budget.

The ODA considers firm rules on the creation of community budgets to be the most strategically important move to be made so that towns would have a stable framework for their calculations and could make decisions from a longer-term point-of-view, Jezek stressed.

Replacement Troops Depart for Yugoslavia

AU 2110143293 Prague CTK in English 1217 GMT 19 Oct 93

[Text] Ceske Budejovice, Oct 19 (CTK)—The first 78-man group of replacements of the Czech battalion serving within the UNPROFOR [United Nations Protection Forces] peace-keeping mission in the former Yugoslavia departed today from the Plana Military Airport to start a partial rotation.

The training of Czech troops at the Czech UNPROFOR base in Cesky Krumlov, South Bohemia, started on September 18 and 20. Another 90 soldiers will be flown to Yugoslavia October 26. The rotation will end on October 29 when the last 150 replacements arrive.

After the rotation, the Czech battalion in the former Yugoslavia will number 519, with an additional 19 working on the staff of the peace-keeping mission, and six working for a group of military police and a group for economic security. In addition, 24 military observers will be working within the Czech batallion.

The 500-strong Czech UNPROFOR unit has been serving in the former Yugoslavia since October 1992. Twenty four Czech observers have also been serving there in the UNPROFOR peace-keeping mission.

Czech troops and experts continue to participate in a number of other united nations peace-keeping operations. An active participation of the Czech Republic in these missions served Czech Foreign Minister Josef Zieleniec as a weighty argument to support the Czech Republic's candidacy for non-permanent membership on the security council in his speech in the UN, in September. The question of who will become a security council non-permanent member will be decided on October 29.

A Czech anti-chemical unit participated in pushing out Iraqi occupational troops from Kuwait in 1991 and 24 Czech soldiers are leaving in October for Iraq where they will work in the UN. Humanitarian aid supervisory commission.

Since may, 1993, 20 Czech military observers have been participating in the UNOMOZ [UN Observer Mission in Mozambique] peace-keeping mission in Mozambique, and on the African continent the Czechs help maintain peace in Angola and Somalia.

Two teams of observers are bound for Georgia and Liberia, where they will participate in the UNOMIG [UN Observer Mission in Georgia] and UNOMIL [UN Observer Mission in Liberia] united nations peace-keeping missions.

Zielenicc said the Czech Army was also preparing teams of observers to serve in the United Nations missions in Nagorno Karabach and Rwanda.

CSU Releases Wage Statistics for First Quarter

AU2110144093 Prague CTK in English 1243 GMT 19 Oct 93

[Text] Prague, Oct 19 (CTK)—An average monthly wage of 5,349 korunas was registered in the first quarter of 1993 in enterprises with more than 24 employees and in state-subsidized and social organizations, according to a report provided to CTK today by the Czech Statistical Office (CSU).

Compared with the first quarter of 1992, in the first quarter of 1993, state organizations cut their work force by 7.9 percent down to 2,615,355 employees and employed 77.7 percent of the total figure (it was 80.3 percent in the first quarter of 1992). The average wage in these organizations increased 28.1 percent up to 5,455 korunas a month. Budgetary organizations increased the number of their employees by 0.6 percent to 451,642 and wages by 42.5 percent up to 5,434 korunas a month, and other state-subsidized organizations lowered their work force by six percent to 234,341 persons while increasing the average monthly wage by 37.4 percent up to 5,561 korunas.

Cooperative organizations remain the second largest employer despite a 17.8-percent drop down to 301,612 employees. These organizations, however, recorded the lowest wage increase of 17.5 percent to 4,316 korunas a month.

Private organizations come in as the third largest employer with a total of 273,036 employees (a growth of 50.3 percent) and an average monthly wage of 5,245 korunas, an increase of 25.4 percent.

The largest increases were registered by foreign companies. The work force in these companies grew by 80.7 percent up to 10,281 and the monthly wage increased by 50 percent up to 8,164 korunas. The share of these companies in the total employment is, however, the lowest at 0.3 percent.

Approximately half a percent of the entire number of people in the work force are employed in mixed organizations and 0.6 percent in social organizations. Some 52,882 persons are recorded as making the highest average monthly wage registered - 6,568 korunas - and these people are employed in international companies.

Meciar Meets With World Bank Delegation

LD2110220593 Prague CTK in English 2048 GMT 21 Oct 93

[Text] Prague, Oct 21 (CTK)—Eight executive directors of the World Bank started a three-day visit to Slovakia by a meeting with Premier Vladimir Meciar today.

Bernard Snoy, who is in charge of the Czech Republic, Slovakia, Hungary, Austria and another four European countries, told CTK that the World Bank wanted to help Slovakia restructure its public expenses.

It is advisable to relinquish generous and general distribution of social expenditures and to target them at those who need them most, Snoy stated.

Slovak budget deficit ran at some 15 billion Slovak crowns (455 million USD) in late September.

According to the head of the delegation, John Cosgrove, the talks with Meciar focused on the main problems faced by Slovakia during economic transformation.

The World Bank's representatives did not arrive to talk about particular loans, but they want to obtain the most objective idea about the economic situation on the basis of which they would assess the granting of specific credits, Cosgrave said.

Snoy said that the World Bank had provided two loans for Slovakia and it would continue pursuing this policy. Specific operations oriented to modernise the Slovak infrastructure have been under way, he added.

Several weeks ago, the World Bank signed an agreement with Slovakia under which Slovakia would get a loan worth 55 million usd for the development of telecommunications.

Cernak Discusses Coalition Talks With HZDS

AU2110202293 Bratislava NARODNA OBRODA in Slovak 20 Oct 93 p 8

[Interview with Slovak National Party Chairman Ludovit Cernak by an unidentified correspondent; reprinted from SME No. 234; place and date not given: "An Apology to Each Other?"]

[Text] I do not consider the current situation to be a defeat for any wing, said Slovak National Party [SNS] Chairman Ludovit Cernak in an interview carried in SME No. 234. Such reports are misleading. We recommenced the negotiations with the Movement For a Democratic Slovakia [HZDS] after we received a letter from Vladimir Meciar. We sat down at the table and said that perhaps we would quarrel or even come to blows, but the minority would give in to the majority in the end. I make no secret of the fact that there were various opinions about cooperating with the HZDS—from explicitly affirmative views to downright disapproval such as "Not one step with Meciar!" However, we managed—before others—to dissociate the HZDS from Meciar and the SNS from Cernak...

[SME] The HZDS, obviously, finds it much harder to dissociate itself from Meciar than vice versa. Were you in the minority or majority?

[Cernak] No comment.

[SME] Could you tell us who conducted the talks on behalf of your party?

[Cernak] They were always attended by the deputy chairmen (Sokol and Findo—editor) and Deputies' Club Chairman Marian Andel. They always went into each meeting with a set mandate. The composition was altered according to the composition of the other side.

[SME] How will you proceed now in connection with defending your honor?

[Cernak] The whole affair could be resolved by apologizing to each other; this could be a part of the coalition agreement.

[SME] What post is being considered for you?

[Cernak] We will give a specific answer in a couple of days. We will each formulate our personnel policy. We agreed that the status of the chairmen of the coalition entities should be equal.

[SME] The HZDS will have the opportunity to place on your shoulders some of the responsibility for steps that you have criticized. Are you not worried about your party's future?

[Cernak] The SNS had no other chance politically to stabilize conditions in the first Slovak Republic. There would be nothing simpler than conducting confrontational talks within the party. The group that lost would draw conclusions from this. This could cause such a rupture, however, that the SNS—in view of the decline in the number of potential deputies—would lose significance for the HZDS as a coalition partner. In the final analysis, this could mean the end for a weakened party in early elections. The renegades would be finished on the political scene. That would be irresponsible toward the party that was the only one to have the independent Slovakia in its program; it should also be a guarantor of its statehood in the future.

[SME] Slovakia is currently polarizing on many levels. The conflicts within SME, SLOVENSKE POHLADY, the former Syndicate of Journalists, the Community of Writers, Radiozurnal, and so on bear witness to this... These conflicts are often ideological, and especially generational. Is it not possible to perceive the attempt to keep the SNS together at the cost of concluding a coalition as a rejection of the values you as an individual often represented?

[Cernak] I admit that I have given great consideration to this aspect. My decision proceeds from my conviction. I

stand on the side of the young who most often demonstrate their dissatisfaction with the political situation. Meetings in old people's homes are not my cup of tea. I am convinced that in the future Slovakia will appreciate the step the SNS is taking.

KDH Chairman Views HZDS-SNS Coalition

AU2110130493 Prague CTK in English 2302 GMT 19 Oct 93

[Text] Bratislava Oct 19 (CTK)—By its unclear position and effort to gain government posts, the Slovak National Party (SNS) has been supporting (for several months) the unconceptional and anti-popular HZDS government, Deputy Chairman of the Christian Democratic Movement (KDH) Ivan Simko told CTK tonight.

He was reacting to the agreement to form a coalition government, reached by the Movement For a Democratic Slovakia (HZDS) and the SNS today.

The agreement is a reward for the SNS, Simko said.

NBS Official Issues Statement on Withdrawal of Notes

AU2110185293 Bratislava HOSPODARSKE NOVINY in Slovak 20 Oct 93 p 1

[Statement by National Bank Deputy Governor Marian Jusko issued to HOSPODARSKE NOVINY in Bratislava on 19 October 1993]

[Text] The extraordinary Slovak National Bank [NBS] Banking Council session held on 17 October 1993 discussed and approved an NBS decree on issuing 1,000-Slovak koruna [Sk] banknotes and on withdrawing from circulation all stamped 1,000-Czechoslovak koruna [Kcs] banknotes. This decree was published in the Legal Gazette on 18 October 1993 so that the process of withdrawing the Kcs-1,000 banknotes from circulation could begin. The main differences between this process and the withdrawal of banknotes of other denominations are as follows:

a) The brief period of time between making the decision (issuing the decree) and the cessation of the banknote's validity. While the standard time limit for other denominations is some two months, for the stamped Kcs-1,000 banknotes it is one week, that is, up to 22 October 1993 inclusive;

b) The brief deadline for exchanging the stamped Kcs-1,000 banknotes in the NBS and the commercial banks, which is set at 5 November 1993. A longer deadline, four months, normally applies;

c) The possibility of making additional exchanges of the stamped Kcs-1,000 banknotes—for important reasons and following the NBS' approval—until 28 February 1994. This applies only to physical persons and is confined to a special course of action. This measure will partly alleviate the burden caused by the speed of the normal withdrawal of the aforementioned banknotes;

d) The non-existence of the parallel circulation of new Sk-1,000 banknotes and the old Kcs-1,000 banknotes. The fact that the new Sk-1,000 banknotes will be issued for the first time on 29 October 1993 means that the nominal value of Sk-1,000 will be missing from the Slovak Republic's money in circulation for about one week.

It is apparent from points a-d that the main differences from the citizen's point of view consist only of the time factor involved. Naturally, the pressure of time may cause some problems, both for the citizen and for the banks and business network; it is necessary to prevent this. The Slovak National Bank is trying to do so by professionally organizing the entire process and it appeals for forbearance from the citizens and all the institutions involved.

President Receives Russian Minister of Science

LD2110150593 Budapest MTI in English 1055 GMT 21 Oct 93

[Text] Budapest, October 21 (MTI)—Hungarian President Arpad Goncz on Thursday received the Russian minister of science and technical policy, Boris Saltykov, who is visiting Hungary at the invitation of the president of the state office for technical development, Erno Pungor.

President Goncz emphasized the importance of the now signed Hungarian-Russian technical and scientific agreement, and expressed the hope it would provide a new framework to continue the two countries, decades-long and traditional relationship.

The experiences and preparedness of the two countries, researchers complement one another in many areas, and their mutually advantageous cooperation could be profitable for all Europe, the Hungarian president said.

Boross Meets With U.S. Secretary of State

LD2110200993 Budapest MTI in English 1740 GMT 21 Oct 93

[Text] Budapest, October 21 (MTI)—On behalf of Prime Minister Jozsef Antall, Interior Minister Peter Boross met U.S. Secretary of State Warren Christopher, who paid a one-day visit to Budapest today, the prime minister's press office told MTI.

Christopher presented him with a letter sent by President Bill Clinton to Antall. Speaking for the American people, the U.S. President conveyed his good wishes to the prime minister, praised his constructive attitude in these uncertain times, and expressed the hope that he would soon recover. President Clinton assured Antall that the United States was profoundly committed to holding talks with its allies and friends on the issue of NATO expansion.

Boross outlined the crucial situation that has emerged along Hungary's southern border. This situation, he said, is manifest in the geographical proximity of war in the former Yugoslavia, the economic difficulties caused by the UN embargo, and the problems a new wave of refugees may bring.

Christopher assured the Hungarian side of his understanding, and expressed appreciation for Hungary's efforts in observing economic sanctions.

Jeszenszky, Christopher News Conference

LD2110202293 Budapest MTI in English 1800 GMT 21 Oct 93

[Text] Budapest, October 21 (MTI)—Hungarian Foreign Minister Geza Jeszenszky gave a lunch in honour of U.S. Secretary of State Warren Christopher at the Budapest Hilton Hotel today. Following that, the two foreign ministers held an international press conference.

Jeszenszky said that the frontline of democratic changes, heading from west to east, had already crossed Hungary. At the same time, central Europe needs the consolidation that could be supported by the west in several ways.

Christopher recalled that the U.S. was paying distinguished attention to Hungary. U.S. investors have so far invested usd 2.5 billion in this country, placing Hungary as the largest recipient of U.S. investment in east central Europe, he said.

As for the future of NATO, Christopher took a stand on expansion of the alliance in an 'evolutionary' way, under the slogan of peace partnership. He said that no member of the CSCE should be excluded from this process.

Jeszenszky welcomed the idea of expanding NATO, and stressed that none of the partners could feel isolated. The Hungarian politician said there was no need for an expansion schedule.

The secretary of state said that guaranteeing minority rights was an important problem to be settled in the post-cold war period. This issue is particularly important in east central Europe, he added. On this score, Christopher said he would end his tour in the Baltic states, where the situation of the Russian minorities may give rise for concern. The secretary of state acknowledged that the international system for handling minority issues has been inappropriate.

Delivery of Natural Gas to Yugoslavia Denied

LD2010215993 Budapest MTI in English 1924 GMT 20 Oct 93

[Text] Budapest/Belgrade, October 20 (MTI)—Hungary has never, and does not today, deliver natural gas to Yugoslavia. This is also banned by U.N. Security Council resolutions, Gyula K. Szelei, deputy head of department at the Hungarian Foreign Ministry, told MTI in Budapest on Wednesday.

Szelei was commenting on a report carried in the Wednesday issue of the Belgrade daily 'POLITIKA,' according to which the Hungarian side had shut down the taps of a pipeline that would have provided gas to two Yugoslav industrial chemical facilities.

The Belgrade daily quoted the communique issued by Yugoslavia's Ministry of Foreign Trade, whereby the natural gas in question was necessary to manufacture plant protecting agents.

According to the article, quoted by the TANJUG Yugoslav News Agency, an agreement had been reached, under which Russia would supply the artificial fertilizer factories in Pancevo and Sabac with natural gas, with the participation of the Italian Eni firm.

The Belgrade daily stated that, "on the suggestion of, and under pressure from, American leaders," the pipeline forwarding the delivery had been shut down at the

Hungarian border. "The American opinion was that the delivery would be used by the Yugoslav Army," TANJUG wrote.

Szelei said it is a fact that Belgrade had asked the U.N. Security Council to allow the sale of a large amount of Russian natural gas to Yugoslavia. However, the U.N. Sanctions Committee has so far not decided on the matter.

Hungary has, and does, deliver natural gas from Russia to Bosnia only. However, a part of this delivery did not reach its destination of Sarajevo and several other Bosnian towns, as the pipeline was drained by the Serbs. Hungary has thus significantly reduced the gas deliveries, on the request of the Bosnian Government and with approval of the U.N. Sanctions Committee.

Law Approved on Crimes Committed in 1956

AU2010162293 Budapest MTI in English 0923 GMT 20 Oct 93

[Text] Budapest, 20 October (MTI)—In session on Tuesday [19 october], Parliament approved, with 217 votes and 19 abstentions, the amended version of the law on prosecuting crimes committed during the 1956 Hungarian revolution and freedom fight.

The first version, approved on February 16, 1993, was not promulgated as last week the Constitutional Court found its first paragraph unconstitutional. The paragraph, which has now been omitted from the law, says that the crimes which are not counted as war crimes or crimes against humanity by international law are only exempt from the statute of limitations if Hungarian laws in force when the crimes were committed so declared.

Under the amended law, crimes committed during the 1956 revolution do not fall under the statute of limitations if they are considered war crimes or crimes against humanity by international law.

Deeper Economic Crisis Forecast by Institute

AU2110203293 Budapest NEPSZABADSAG in Hungarian 21 Oct 93 p 10

[Report by Szilvia Hamori: "The Economic Crisis Is Becoming Deeper—The Economic Research Institute's Report on the 1993-1994 Processes"]

[Text] The crisis is deeper than was expected at the beginning of the year, the gross national [nemzeti] product is decreasing, foreign and domestic indebtedness is increasing, and inflation will also be much higher than previously forecast. This is a brief summary of the Economic Research Institute's [GKI] report on the national economy's development in 1993 and 1994, published on 20 October.

While transformation and crisis jointly characterized the past four years, the signs of crisis are more powerful than indications of a positive change, the report states. The break in the processes came about at the end of 1992 and the beginning of 1993. As a result, the gross national product will decrease by 2 percent more in 1993 and the real earnings will also decrease to a similar extent. The deficit of the current payment balance is expected to reach $2.8 billion by the end of the year and the deficit of the state administration will be around 300 billion forints [Ft]. Foreign resources resulting from indebtedness do not serve to further economic growth, rather, they finance the maintenance of the existing production and distribution structure.

The consumer price level will rise by 23 percent which is at least 6 percent higher than the government's forecast at the beginning of the year. According to the GKI's estimate, the unemployment rate will be 12 to 13 percent at the end of 1993 and the number of people no longer registered will increase to 200,000.

The large-scale, and for many people unexpected, deterioration of the economic situation has a number of reasons. Some of these, naturally, are factors independent of Hungarian economic policy. The region's uncertain political situation and prolonged recession in the West European countries are unfavorable circumstances. The fact that the economic issues are usually overpoliticized after a change of political regime which makes decisionmaking difficult was also—more or less—listed among the objective problems. At the same time, the report firmly states that the flawed domestic economic policy is increasingly the determining cause of the worsening crisis. The situation of the large state industries—which still determine many aspects of the economic possibilities—is worse from all points of view than in the second half of the previous decade. This is due to the slow change of ownership, the insecure status of managers, and the business and personnel decisions made under political pressure. The rolling effects of the wave of bankruptcies and liquidations very seriously affect the new enterprises, their original dynamism has slowed down, their performance has deteriorated, and the withdrawal of capital and profit is increasingly frequent. In this uncertain situation, the tax and social security burdens of enterprises are very high. The failure to generally overhaul the distribution systems and the fact that state administration expenditure still reaches 60 to 62 percent of the gross national product are cited among the reasons. The monetary policy also only produced temporary and superficial results and none of its goals have been achieved in 1993. The crisis has also reached the banking, insurance, and share-trade spheres, therefore, there is a danger that, similarly to 1993, rather than creating a functioning mechanism, the credit consolidation (debtor consolidation) will produce an unending series of individual deals which will again result in slackening the financial discipline. The climate has also deteriorated for investments and development. The significant exporting enterprises have lost their profitablitiy and a considerable part of their assets,

therefore, they cannot continue to finance the loss-making exports. Political and economic uncertainties and the high interest on loans also severely restrict investments.

According to the GKI, in the past few years, the system of economic policy goals have been characterized by a drifting with the currents, made worse by the fact that the decisions were based on faulty micro-forecasts adjusted to the political necessities. In addition to this, the government does not have an overall analyzing and coordinating economic policy center that makes suggestions. The chances of development are also reduced by the fact that the feeling of hopelessness and loss of prosepects has increased in the participants of the economy, the assessment states.

All in all, the present situation seriously limits the possibilities of economic development in 1994. The GKI's forecast for 1994 is predicated on the premise that the existing economic policy is not expected to change significantly before the elections. At the same time, based on a survey of the expectations of economic organizations, it sees a possibility for at least partially reducing the tensions. According to the assumption of the forecast, significant changes in the economic policy can only be expected in the second half of 1994 at the earliest but it will only be possible to feel their effects in 1995.

Coalition Debates Sejm Foreign Affairs Post

LD2110212193 Warsaw TVP Television First Program Network in Polish 2002 GMT 21 Oct 93

[Relayed by Polonia Television Network]

[Text] The Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] are in dispute over the filling of the posts of chairmen of Sejm commissions, above all in the Ownership Transformations and Foreign Affairs commissions. According to the politicians of the Alliance, the PSL is breaking earlier agreements. The dispute over who should be chairman of the Foreign Affairs Commission, which is to meet for the first time in an hour, may shake the newly created coalition.

[Unidentified correspondent] The SLD wants the head of the Foreign Affairs Commission to be Bronislaw Geremek of the Democratic Union [UD]. This is in return for support for Jozef Oleksy on the road to the speakership of the Sejm. On the basis of agreements, the Union was to have four commissions. That is why it sought Ownership Transformations, Culture, Self-Management, and also Foreign Affairs. [video cuts to show Geremek speaking to camera]

[Geremek] It transpires that the four commissions that we seek happen not to be accepted by the PSL. I am surprised that after two weeks of talks this is the tone. I understand.

[Correspondent] The Peasants claim that the coalition agreement envisions that the chairman of the Foreign Affairs Commission will be a representative of one of the coalition partners. [video cuts to show Aleksander Kwasniewski of the SLD speaking to camera]

[Kwasniewski] Undoubtedly, the person of Professor Geremek is difficult for the PSL to accept. And I have put that very diplomatically. In the Sejm there should be representatives of all the parliamentary clubs. We should show precisely our openness toward various groupings, the openness of this Sejm that should practice democracy and strengthen democracy and democratic institutions through its own activity.

[Correspondent] The PSL does not want to allow a situation where the head of Polish diplomacy is to be a person recommended by the president and that the [respective] Sejm commission is chaired by a representative of the parliamentary opposition. The PSL parliamentary club decided that the joint candidate of the coalition will be Aleksander Kwasniewski. A similar option was applied by the Peasants in the Ownership Transformations Commission. Alongside the agreed candidacy of Grazyna Staniszewska of the UD, the PSL nominated a counter-candidate, Maciej Manicki of the SLD. The surprised Manicki asked for a break and, with the encouragement of Aleksander Kwasniewski, resigned as a candidate. The Peasants therefore nominated someone else, this time their own deputy, Bogdan Peka. To the surprise of all the members of the Commission, the PSL representative was chosen as chairman. It transpired later that four deputies from the Alliance voted against the accepted candidature of Grazyna Staniszewska.

In the evening, the deputies of the Left nominated for the Foreign Affairs Commission will decide whether they will support Bronislaw Geremek. Everything indicates that they will. Club discipline must however be decreed. Then the SLD and the UD will have 23 votes in a 44-strong commission. If Bronislaw Geremek does become chairman, the PSL will not agree to Marek Borowski as deputy premier for economic affairs. Then, the SLD will most probably not enter the government, but will support a minority cabinet of Waldemar Pawlak, said one of the politicians of the left.

Daily Reports on Debate

WS2210095893 Warsaw RZECZPOSPOLITA in Polish 22 Oct 93 p 1

[Report by E.Cz.: "Controversy in the Coalition"]

[Text] Filling the position of chairperson of the Sejm Foreign Affairs Committee was the first serious clash in the coalition of the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL]. SLD supported the candidacy of Bronislaw Geremek, which was against the will of its coalition partner. It does not seem, however, that these difficulties will cause any problems in forming the government, even though some observers predict such consequences. We can believe that Waldemar Pawlak is pressed for time—he has only a few days to meet the deadline for presenting the new government's composition.

Our earlier information concerning the conflict between the coalition members over the election of chairpeople for two Sejm committees—Foreign Affairs and Privatization—was borne out. These issues were handled by Waldemar Pawlak and Aleksander Kwasniewski at their meeting Wednesday [20 October] morning. According to unofficial information, the discussion was sharp and definite. The leaders left with their views unchanged.

"For us this voting will be a litmus test of the intentions of SLD; we will see whether the coalition can be based on trust. It will show us whether SLD wants an alliance with us or is thinking about its own future," said one PSL deputy.

Within SLD there were opinions that PSL had defended their cause very sharply. There were rumors that if SLD supports Bronislaw Geremek as candidate for chairman of the Foreign Affairs Committee, PSL will take away one deputy prime minister from SLD—it would be the deputy for economic affairs, which is reserved for Marek Borowski. Also, if SLD supports Grazyna Staniszewska for chairperson of the Privatization Committee, PSL will take away this ministry from it as well. Pawlak's adviser Michal Strak called this information "nonsensical."

The results of the most important ballots in the committees may cause the coalition to bargain over ministerial posts; however, it seems that PSL will finally accept SLD's conditions, because time is beginning to play against Pawlak, who, in line with the Constitution, must present the president with the composition of the government by next Sunday.

SLD Spokesman Zbigniew Siemiatkowski said that SLD maintains its conditions; namely, influence over seven economic ministries, including four ministerial portfolios. PSL wants one or two of the four major economic ministries—Foreign Economic Cooperation and Privatization.

On Thursday, Waldemar Pawlak spoke with Marek Pol of the Union of Labor, candidate for the minister of industry and trade. After the meeting, Marek Pol, a member of the parliamentary but not government coalition, confirmed that he had received such an offer. Leszek Miller, when asked by RZECZPOSPOLITA, said that the prime minister had actually proposed that he take over the Ministry of Labor. Within PSL, views on this candidacy are divided.

The next meeting between Pawlak and Kwasniewski will be held today.

Daily Says IMF Limits Coalition's Promises

WS2110132193 Warsaw RZECZPOSPOLITA in Polish 18 Oct 93 p 7

[Article by Piotr Aleksandrowicz: "New Government, Old Limitations; Coalition Experts' Economic Program Will Certainly Not Be Fully Implemented"]

[Text] **The winners of the [19 September] elections who now form the new government coalition, certainly have a great deal of room for maneuvering, but not all the way. A letter of intent to the IMF from last December, as well as its additional part from 2 September of this year, contain both obligations defined in numbers (criteria for performance), and announcements concerning programs, which should be observed while the standby agreement with the IMF is in force. Their meaning is that room for maneuvering within the budget, tax, and monetary policy, is very limited this year. The criterion for net domestic assets will most probably be met without major problems. But as far as implementing the criterion for the banking system's credit level for the government sector—that may be more difficult to accomplish. If in addition to that, domestic demand were to be increased in the year's final weeks, then most probably there would also be a problem with the criterion for international reserves. So implementation of election promises this year is out of the question.**

Room for maneuvering will also be limited next year. It seems that certain ...

General Principles of Economic Policy

may be listed, which, if they were to be ignored, then would mean that cooperation with IMF would be undermined, and agreement with the London Club—which the government will certainly regard as a priority—would be endangered.

Among those principles, the following may be listed: controlling the budget deficit, holding reins on inflation, a necessity for reinstating a balance with regard to expenditures in the social sphere, progress in the privatization process, and an opening up of the entire economy. Judging by statements made by IMF representatives, the institution currently strongly stresses an external equilibrium, that is with regard to foreign trade balance, and to foreign debt balance.

One is led to believe that the IMF supports an opening up of the economy, and that it is interested in meeting the deadline for lifting the import tax. But on the other hand, the IMF is most probably opposed to administrative limitations on credit supply. That can be concluded from the tough interest rate and the budget rate policy, in order to limit the process of money leaving the country, including money destined for import purchases.

According to the IMF, recently a decrease of competitiveness in the Polish industrial output has occurred. It can be assumed that to prevent this, such sources of the decrease should be addressed as, for instance, excessive increases of wages and taxes.

According to the IMF, during the second half of this year, a certain tightening of the monetary policy has been required. Also for 1994, a reduction of the degree of gradual devaluation is postulated, as well as a tight monetary policy.

As regards a draft of budget principles, presented to the IMF last August, the IMF critically assessed—among others—the high rate of financing the budget deficit by the banking system, the assumption of a major decrease of reserves next year, a relatively high increase in the money supply, and significant interest rate decreases. It seems that the list reflects a rebour [as printed], the IMF's preferences. "Because you cannot relax the monetary policy"—one of the experts for the Finance Ministry says—"the government will be practically deprived of room for maneuvering." The need to reinstate a payment equilibrium implies—according to the IMF—a need for a subtle cooling down of domestic demand.

Another Review

... is to be conducted by 15 February 1994. Among others, the review will be an assessment of:

—the 1994 budget;

—the issue of lifting the import tax, which the IMF has been pressing for while arguing that limitations imposed on imports also limit exports, as well as opportunities for development;

—the progress in implementing the Agreement on Enterprises;

—measures aimed at a long-term strengthening of public finances.

Financial circumspection will continue to be emphasized, as well as measures aimed at decreasing the inflation rate. Under this situation, a clear increase in the budget deficit, as well as an increase in social expenditures, would be the hardest to accept by the IMF. The review will be quite significant because it will form the basis for IMF's opinion to the Paris Club, before a decision is reached on the second stage of debt reduction.

It seems that the IMF's perspective is different from that of the experts of the new government coalition. There are, however, some points of convergence of views, for instance as regards the assessment of the state of public finances, and of threats to the balance of payment—on these issues the views of both sides are rather similar. It is a different case though, as regards the coalition's program proposals. One has a feeling that many of the proposals submitted by experts in the coalition are detached from their own diagnosis of the situation.

The IMF does not impose its view—after all, membership in it as well as agreements concluded, are voluntary. But it is doubtful that it would approve a clear departure from those principles of financial and monetary policy, and from the principles of structural transformations, which have been implemented by the previous governments.

If the new government is interested in obtaining a morality certificate from the IMF (which seems likely at this point), then most probably at least part of the cost-intensive measures proposed by experts of the SLD-PSL [Democratic Left Alliance-Polish Peasant Party] coalition, will not be actually implemented in the practice of economic policy.

Inquiry Into CPSU-PZPR Loan Continues

AU2110160493 Warsaw GAZETA WYBORCZA in Polish 19 Oct 93 p 2

[Report by Jerzy Jachowicz and Piotr Wesolowski: "Premature Discontinuation"]

[Text] SLD [Democratic Left Alliance] deputy Leszek Miller, suspected of involvement in the illegal CPSU [Communist Party of the Soviet Union] loan granted to the PZPR [Polish United Workers Party], was very pleased to hear yesterday that the inquiry into this loan had been discontinued. However, his pleasure was short-lived because several hours later it transpired that the inquiry would be continued after all.

Prosecutor Janusz Regulski told us yesterday that he had stopped an inquiry against former PZPR first secretary Mieczyslaw Rakowski and Leszek Miller concerning an illegal loan of $232,000 plus 500 million zlotys [Z] issued by the CPSU to the PZPR in January 1990.

But several hours later, the leadership of the Warsaw Prosecutor's Office overruled Regulski's decision and decided to continue the inquiry, which will henceforth be conducted by a different prosecutor. Jerzy Labuda, chief of the Warsaw Prosecutor's Office, believes Regulski "violated criminal procedures" by halting the inquiry.

It has been established that on 12 January 1990, Rakowski, as PZPR first secretary, received from a certain Vladimir Vershinin, via KGB channels, the sum of $232,000 plus Z500 million as an interest-free loan repayable after one year.

At first, Rakowski denied that special services had been involved in the transfer of the money, but later it turned out that Vershinin's real name was Silvestrov and that he was actually a high-ranking KGB officer.

On the other hand, the Prosecutor's Office accused Miller of being involved in November 1990 in the return of $600,000 to special KGB emissaries without the permit that is required for such foreign currency transactions, while knowing that these dollars would be taken abroad.

Miller has said many times that he knew nothing about the loan obtained by Rakowski, and he has described the whole business as a case of political intrigue. Nevertheless, the Sejm lifted his parliamentary immunity on 29 May.

"The accusation against Miller is based solely on statements provided by two witnesses, both Russian citizens, who were interrogated by Russian prosecutors in Moscow as part of the mutual legal aid between Poland and Russia," Prosecutor Regulski said yesterday. He explained that he had stopped the inquiry because of "lack of evidence concerning guilt." "The Prosecutor's Office rejected the statements by the witnesses because they were incompatible with the other evidence," he added.

Rakowski admits that he accepted the loan, but he claims to have repaid it in full, and that it was never used either for the needs of the PZPR, or for those of the Social Democracy of the Republic of Poland [SdRP], or TRYBUNA. It was used to pay compensation to dismissed PZPR Central Committee employees, he says. He has destroyed the certificate of the loan's return.

In Prosecutor Regulski's opinion, the ex-PZPR chief has formally violated the penal-fiscal law. Needless to say, "no evidence of actual financial loss by the State Treasury has been gathered," he adds.

Prosecutor Labuda believes that Regulski has committed a legal error. "He classified Rakowski's deed as an 'action involving a low degree of social danger,' even though this action involved a huge amount of money, exceeding $1 million," says Labuda.

Havel Meets With Walesa During Visit

LD2110223193 Warsaw PAP in English 2118 GMT 21 Oct 93

[Text] Warsaw, Oct. 21—President Lech Walesa and his Czech counterpart Vaclav Havel held talks at the Belvedere Palace on Thursday [21 October], at the start of the official part of the Czech president's visit to Poland.

The Czech guest, who arrived in Warsaw on Wednesday evening and had had a private meeting with the Polish president last night, was greeted by Lech Walesa at a ceremony in the courtyard of the presidential Belvedere Palace on Thursday.

"We have managed to change the system, but the building of a new system both in our countries and Europe does not make it clear to the very end," Walesa said opening the Polish-Czech plenary talks. He voiced his conviction that the talks will help better to explain to Europe the changes taking place in the two countries and will contribute to building a European system in which confrontation will be replaced by cooperation, security and better well-being of our societies.

President Havel said that for many years Poland was a model to be followed by Czechs in their struggle with "communist violence" and in implementing economic transformations. He expressed the hope that the bilateral talks will help coordinate a foreign policy of the two countries.

President Walesa decorated President Havel with the Order of the White Eagle.

Next, Havel held separate meetings with Sejm (lower house) Speaker Jozef Oleksy and Senate Speaker Adam Struzik. Czech and Polish membership in NATO were one of the main topics. Oleksy told journalists that the talks had centred "on the latest statements made by President Havel on the issue."

Commenting to journalists on the Wednesday statement by U.S. Secretary of Defence Les Aspin, who had said that the U.S. is against quick admission of central European states into NATO, Havel stated that "the United States has only recommended a slower and a more measured way of proceeding."

The process of central European countries integration with NATO were also discussed by Havel and Polish Foreign Minister Krzysztof Skubiszewski. According to the latter, the recent statements by Aspin do not shut NATO doors for Poland, the Czech Republic and Hungary. It is impossible to have "the cold war followed by a cold peace," which would but petrify the European division lines, he commented and added that the NATO security zone must be moved to embrace these parts of Europe which have not been covered yet, that is central Europe in the first place.

Asked whether this zone should also encompass Russia, Skubiszewski said that "Russia is a power which is going to have good cooperation with NATO," while Poland's presence in the alliance would have a good influence on Russia's security.

Havel told a press conference that the Czech Republic, Slovakia, Poland and Hungary will not resign from full membership in NATO. "We can agree to treaty of association with NATO but it must not exclude our membership of the alliance," he declared commenting on the latest statements against admission of new members to NATO in the near future made by NATO defence ministers at a meeting in Travemunde.

"If we are suggested to sign a treaty of association with NATO we would receive (the proposal) with attention, but would not treat it as a substitute of or an alternative to full membership," Havel said. "We are free, independent countries and as such we would like to participate in the NATO structures. Warsaw Treaty does not exist any longer and no one should treat us as its former members," he added.

According to Havel, central European states' membership in NATO would not threaten Russia's security. "Bringing NATO closer to Russian border means bringing closer democracy and stabilisation," he said.

Havel denied that "a spirit of Yalta" emerged in Europe, but said: "If the West refuses central European states the right to become full-fledged members of the European integration structures, including NATO, it would mean a return of the spirit of Yalta."

Earlier in the day President Havel had a 30-minute talk with Prime Minister Hanna Suchocka at the Czech Embassy in Warsaw. According to Havel, Suchocka described the situation in Poland after the parliamentary elections. The Polish prime minister told journalists that they also discussed the future of the Visegrad Group. The informal meeting was also attended by Prime Minister designate Waldemar Pawlak, Bronislaw Geremek of the Democratic Union and the Democratic Left Alliance leader Aleksander Kwasniewski.

Also on Thursday President Havel made a sightseeing tour of the old town of Warsaw and laid flowers at the tomb of the unknown soldier and the memorial to the Warsaw uprising.

A dinner given by President Walesa in honour of his Czech guest concluded the official programme of President Havel's visit to Poland. On Friday, Havel will go to Gdynia and Gdansk and will again meet Walesa unofficially in the Oliwa cathedral.

Bucharest University Students Hold Protest Rally

AU2110185493 Bucharest ROMPRES in English 1554 GMT 21 Oct 93

[Text] Bucharest ROMPRES, 21/10/1993—The Students' League of Bucharest University together with other student organizations organized a rally on Thursday in Bucharest, calling for "Romania without refuse."

The students marched toward government headquarters sweep-armed and carrying refuse-stuffed bags, dressed in white sheets, chanting anti-presidential and anti-government slogans. While passing through the Romana Square, the students kept a minute's silence to the memory of the victims of the December 1989 revolution. At government headquarters, the students dumped the refuse bags and hung slogan-bearing sheets. Short after the students had left the stage, public service workers collected the trash and swept bright-shining Victoria Square.

The president of the Students' League of Bucharest University told ROMPRES that the rally had a symbolic meaning [to protest difficult material situation of university education].

ROMPRES Views Economic Decline, Recovery

AU2110131293 Bucharest ROMPRES in English 1011 GMT 21 Oct 93

[Text] Bucharest ROMPRES 21/10/1993—The Romanian economy scored bad results in 1992, the third year of its transition to a market economy, with a 15.4 drop in the GNP, a 1.522 million dollars deficit of the trade balance, and foreign financial vital for the economy. Inflation continued to be high, with an average 9.6 percent increase in prices. State spendings were much higher than revenues, with a 263 billion lei deficit of the central administration budget, i.e. 4.8 percent of the GNP. The state made extra-budget expenditures from foreign credits and from resources of the National Bank, so that the budget deficit reached 5.2 percent of the GNP, says the report of Romania's National Bank on "the monetary and credit situation in 1993," from which the daily ADEVARUL puts out excerpts.

Certain signs could nevertheless be noted in 1992, indicating that the economy is bottoming out and balance was on the point to be set. Work productivity dropped by 13.8 percent in 1992 as against 16.0 percent in 1991, resources in stores stood for 15.1 percent of the GNP as against 18.6 percent in 1991, which triggered a reduction in arrears (from 85 percent as against the GNP in 1991 to 29 percent in 1992). Exports covered 78.9 percent of imports as against 78.9 percent in 1991, owing to a 13.6 increase in exports.

The weakening of the national currency, higher than domestic inflation, partially explains the increase in exports.

Although restructuring was mainly spontaneous, it tends to acquire weight, reads the report of the National Bank. Part of structural imbalances were diminished by dropping output in branches for whose products demand was low. Although the measures in view for the period to come may result in higher unemployment, such evolutions are unlikely to be so high as to put a threat to the running of the economy and to social life.

The National Bank considers that 1992 created good premises for 1993, especially as the option for reform was maintained. Moreover "the bahaviour of economic agents and the population seems to show adjustment to the new economic conditions to a greater extent than that of institutions."

Foreign Media Bulletin: Balkan Crisis 22 October

W42210160893

The following is an overview of current FBIS reporting on events in the Balkans. It supplements other FBIS reporting and consists primarily of selected summaries of longer reports. For reference purposes, serial numbers of the longer reports are provided.

SUMMARY

Western Bosnian Muslim leader Abdic signs peace accord with Bosnian Serb leader Karadzic, joint statement with Bosnian Croat leader Boban ... Serbian Renewal Party leader Draskovic urges opposition parties to unite before elections ... Serbs, Muslims trade charges of Zvornik shelling.

POLITICAL

ABDIC, KARADZIC SIGN AGREEMENT (TANJUG): Western Bosnian Muslim leader Abdic, who has split from Bosnian President Izetbegovic, signs peace accord in Belgrade with Bosnian Serb leader Karadzic. Agreement calls for mutual recognition of Bosnian Serb republic, autonomous province of western Bosnia, complete freedom of movement, return of refugees to their homes, establishment of commission to determine borders. (LD2210143493)

ABDIC, BOBAN ISSUE JOINT STATEMENT (Zagreb Radio): During visit to Zagreb, Abdic signs joint statement with Bosnian Croat leader Boban, calling for an immediate cease-fire between Croats and Muslims and condemning Izetbegovic's replacement of Croatian representatives to Bosnian Presidency. (LD2210085893)

POLITICAL

DRASKOVIC URGES OPPOSITION UNITY (Belgrade TV, TANJUG): Reacting to Serbian President Milosevic's dissolution of parliament, Serbian Renewal Party leader Draskovic urges "all democratic forces" to "urgently unite" and "formulate conditions" for new elections scheduled for 19 December. Kosovo Albanian leader Rugova announces his party will boycott the elections. (AU2110205893, LD2210135393)

MILITARY

SHELLING OF ZVORNIK REPORTED: TANJUG claims Muslim forces used "shells containing toxic materials" in attack on Zvornik, while Sarajevo Radio accuses Serbian troops of "frantically shelling civilian targets" and turning Zvornik area into a "wasteland." (LD2210135493, AU2110194293)

Boban, Abdic Issue Joint Statement

LD2210085893 Zagreb Radio Croatia Network in Serbo-Croatian 0800 GMT 22 Oct 93

[Text] Mate Boban, president of the Croat republic of Herceg-Bosna, and Fikret Abdic, president of the autonomous province of western Bosnia, signed a joint statement in Zagreb last night after several hours of talks.

Among other things, the statement says that they are determined to persist in their attempts to bring all confrontations in the [Bosnian] union of republics to an end and immediately to establish a lasting peace on the territory of the autonomous province of western Bosnia.

The Bihac units of the Croat Defense Council [HVO] will remain within the armed forces of the autonomous province of western Bosnia.

They consider the changes in the composition of the Bosnia-Herzegovina Presidency unconstitutional and violent [as heard], since changes can only be introduced following the resignation of a presidency member or as a result of a recall by voters of the elected body.

The signatories of the statement urge the promotion of strong relations between the autonomous province of western Bosnia and the Croat republic of Herceg-Bosna within the union of republics of Bosnia-Herzegovina.

New Presidency Members Make Statements

AU2110204193 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 21 Oct 93

[Text] Nijaz Durakovic and Stjepan Kljuic, newly-elected members of the Bosnia-Herzegovina Presidency, today took their oath in front of President Alija Izetbegovic. Ivo Komsic, the third Presidency member to be elected yesterday, was absent owing to his commitments in Konjic.

The members of the Presidency, and representatives of the Assembly, the government, and the Army were present at the ceremony, as were the representatives of the religious communities and parliamentary parties of Bosnia-Herzegovina.

I am aware that I am only one member of a collective body, and I will try and conduct consistently the policy of the Bosnia-Herzegovina state bodies, Dr. Nijaz Durakovic said after taking the oath. One individual can hardly contribute much, but I have felt the need to contribute as a human being as much as possible to the liberation of Bosnia-Herzegovina, to fight for its sovereignty, democracy, and equality for all, and its civil character and democratic organization. I primarily want to contribute to bringing an end to the war and establishing a just and honorable peace in the Republic, Durakovic said.

Stjepan Kljuic said that first and foremost negotiations have to be resumed and the war stopped. That is somewhat complicated, he stressed, but it is also possible. On the other hand, I believe that Bosnia-Herzegovina should make a great effort to feed the population and provide fuel for the winter. If we manage to do that, Kljuic said, then victory is in a way ours.

Muslims Reportedly Continue To Detain Croats

LD2210102993 Zagreb Radio Croatia Network in Serbo-Croatian 1000 GMT 22 Oct 93

[Excerpt] The Muslim side last night again failed to release 100 Croats imprisoned in the eastern part of Mostar, and continued to disregard the joint agreement on prisoner exchange which it had reached with the Croatian side and the International Red Cross.

The Croatian side fulfilled all its obligations arising from the agreement on prisoner exchange when, two days ago, it released 50 Muslim prisoners from Konjic.

The Muslim authorities in Mostar keep setting new conditions and obstacles to the release of the detained Croats, so that the International Red Cross convoy, with UNPROFOR [UN Protection Forces] escort, had to leave the left bank of the Neretva river without the Croatian prisoners.

Early this morning a convoy carrying food and medicines, organized by the Sarajevo Jewish Community, continued its journey to Sarajevo from Medjugorje. The convoy, consisting of 14 trucks carrying about 350 tonnes of humanitarian aid, left Split yesterday. It is financed by an American Jewish humanitarian organization. The convoy is among other things carrying medical equipment for a small clinic which the Jewish community is planning to build in Sarajevo. [passage omitted]

Many Dead in Street Fighting in Gornji Vakuf

LD2110200393 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1900 GMT 21 Oct 93

[Text] Units of the Croatian Defense Council [HVO] and the Croatian Army have been fiercely attacking Gornji Vakuf all day, we have learned from [correspondent] Agif Agic. More than 2,500 very destructive shells hit the city which is already in ruins. Tanks and multiple rocket launchers were used in the attacks. Several soldiers were killed in street fighting, and Bosnia-Herzegovina Army soldiers have destroyed a group manning an anti-aircraft gun.

Starving Maglaj Residents Die From Poison Mushrooms

AU2110175293 Paris AFP in English 1731 GMT 21 Oct 93

[Text] Zagreb, Oct 21 (AFP)—A 10-truck convoy carrying 75 tonnes of food and medicine for the besieged Moslem enclave of Maglaj managed to enter Thursday [21 October] the Serb-held zone of northwest Bosnia-Herzegovina, a UN spokesman said.

The convoy left Zagreb Thursday morning [21 October] and was scheduled to arrive in the evening in Maglaj, where starving people have been eating poisonous mushrooms, Peter Kessler of the UN High Commissioner for Refugees (UNHCR) said.

About 103,000 people have been under Serbian siege in Maglaj and the neighbouring enclave of Tesanj, 10 kilometres (six miles) to the north, since May.

Western military planes have been dropping parachute-loads of supplies to the twin enclaves, but these have not been sufficient.

The UNHCR reported that hundreds of residents have contracted food poisoning from eating mushrooms. Kessler said eight victims of poisoning died Thursday morning, including a seven-year-old girl.

Shelling Leaves 'Wasteland' Behind in Zvornik

AU2110194293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 21 Oct 93

[Report by Nihad Banjanovic from the Zvornik front]

[Text] They [the Serbs] have been frantically shelling civilian targets on the free Zvornik territory with the aim of destroying as many residential areas as possible. This was also an artillery prelude for the offensive that they have been preparing for some time in this region. Over 400 destructive shells fired from tanks, 155-mm howitzers, and 120-mm mortars landed on Vitinica, (?Satna), (?Godus), and Zaseok during the day. They left behind a wasteland.

The defenders of Zvornik are still closely watching all the aggressor's movements, and are prepared to repel any potential infantry attack.

This is Nihad Banjanovic reporting for Radio Television Bosnia-Herzegovina from the press center of the Zvornik Armed Forces.

Muslims Reportedly Use Poisonous Gases on Serbs

LD2110215393 Belgrade TANJUG in English 2131 GMT 21 Oct 93

["Pool" item]

[Text] Zvornik, October 21 (TANJUG)—Muslim forces on Thursday [21 October] again used chlorine poisonous gas in attacks on Bosnian Serb positions in the area of Zvornik, TANJUG's correspondent learned from sources in the Bosnian Serb local command.

In an attack launched at 10 A.M. on Thursday on Serb positions some 15 kilometres north-west of Zvornik, Muslims fired tens of mortar shells, at least 25 of which released poisonous gas, said the sources.

The Muslim side had used poisonous gases several times already in the area of Zvornik, despite the fact that such weapons are banned by international conventions.

In Thursday's attack, however, they fired more shells with poisonous gas than on all earlier occasions.

United Nations military observers have personally established the breach of the international conventions, said the sources and added that they expected the observers to soon inform the U.N. about the Muslims' use of poisonous gases against Serbs.

Last week, Muslims fired on Serbs in the Zvornik area ten 120-mm mortar shells containing chlorine and ammonia produced in the chemical complex in Tuzla, a Muslim enclave north-west of Zvornik.

Bosnian Croats have also repeatedly reported the Muslims' use of poisonous gases against Croat units.

Fifth Corps Allegedly Arrests Civilians in Cazin

AU2110202393 Belgrade POLITIKA in Serbo-Croatian 20 Oct 93 p 12

[Report by D. Kecman: "One Thousand Civilians Arrested?"]

[Text] Banja Luka, 19 Oct—Early this morning Radio Velkaton from Velika Kladusa, citing ZBIA [Western Bosnian Information Agency], reported that another 200 civilians had been arrested in Cazin last night. The same source claims that the 750 women, old people, even children, who were arrested yesterday, have been maltreated and imprisoned in the Bihac prison at Luke. The same is true of this group of 200 Cazin citizens. It is claimed that after being interrogated and humiliated, they were then imprisoned in the Cazin army barracks.

The same source claims that Ramiz Drekovic, commander of the Bosnia-Herzegovina Army 5th Corps stationed in Bihac, is to blame for these arrests. Apparently angry because of the military failure that he suffered near the villages of Johovica and Skokovi, where his soldiers loyal to Izetbegovic met with the firm resistance of Fikret Abdic's supporters, Drekovic began arresting all civilians who had expressed their preferences by signing the proclamation of the autonomous region of western Bosnia.

Radio Velkaton claims that the arrests are continuing, and that Drekovic's military police have no mercy toward the elderly, women, or children.

Radio Bihac neither confirmed nor denied the claims from Velika Kladusa, and it no longer mentions the clashes with Abdic's supporters in its broadcasts. It gets its main news items from the Fire Department's and Medical Service's reports.

We need to mention that for the fifth day running, Fikret Abdic has not given any statements to either foreign

correspondents, or radio and news agency correspondents in Velika Kladusa. He is still on the UN Protection Forces [UNPROFOR] base in Polje, in the Agrokomerc complex, located at the access point to Velika Kladusa. Abdic controls the supply of fuel, food, and ammunition, while Bihac, Cazin, and Buzim are surrounded and face the winter with minimal reserves. However, Ramiz Drekovic has also not given any statements in the past few days.

Still Only 'Minimal' Electricity in Sarajevo

AU2210105293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 21 Oct 93

[Text] Sarajevo is receiving minimal quantities of electricity today. The teams of Elektroprenos repairmen have gone out this morning to try to repair, with the assistance of UN Protection Forces, the high voltage transmission line near Kiseljak. If the repairmen manage to repair a serious breakdown today the supply of electricity could improve.

Sarajevo continues to be without water as the main spring in Bacevo does not have any electricity. A very small amount of water is coming to a part of the town from the springs in Jahorina. There is water also in Pivara spring.

As the Sarajevo water board stresses, [word indistinct] supply of water to the town [word indistinct] between 2.5 to 4 megawatts of electricity would be needed.

Despite the problems with [words indistinct] electricity and low pressure in the gas pipes Velepekara today baked bread for approximately 78 percent of Sarajevo local communities. All hospitals, soup kitchens, communal dormitories, and other priority users in the town will receive bread.

Statistics Show 140,878 Killed, 16,316 Children

AU2110193293 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 21 Oct 93

[Text] What follows now is the tragic Bosnia-Herzegovina war statistics. During the past week 81 people were killed and 286 wounded in Bosnia-Herzegovina. In Sarajevo alone, 36 were killed and 113 wounded.

Since the start of the aggression against Bosnia-Herzegovina, 140,878 people have been killed or died as a result of hunger and cold, 16,316 of them children. 156,629 people have been wounded, almost 33,000 of them children.

According to the latest report by the Bosnia-Herzegovina Health Headquarters, 9,400 people have been killed in Sarajevo, and 55,000 wounded.

Croatian Authorities Confiscate '2,700' Vehicles

AU2110162093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 21 Oct 93

[Text] Over the last two months some 2,700 vehicles with the Bosnia-Herzegovina license plates have been confiscated in Croatia. This includes both private vehicles and trucks with humanitarian aid for Bosnia-Herzegovina.

The Bosnia-Herzegovina Embassy in Zagreb has on several occasions asked the Croatian authorities for the confiscated vehicles to be returned, and called through the Croatian mass media on owners of vehicles to report any such confiscation. The Embassy will resort to all legal means to have the confiscated vehicles returned to their owners. Owners are to hand in both the report and documents on the confiscated vehicles and goods, or, if they have them, the documents on the confiscation. These papers should be handed immediately to the Bosnia-Herzegovina Embassy in Zagreb, to [words indistinct].

RSK To Continue Talks if 'Aggression' Stops

LD2110192593 Belgrade TANJUG in English 1833 GMT 21 Oct 93

["Pool" item]

[Text] Knin, Oct 21 (TANJUG)—Deputy Premier of the Republic of Serb Krajina (RSK) Branko Lugovac and its Justice Minister Radomir Kuzet on Thursday [21 October] informed Geerd Ahrens and Knut Vollebaek that the RSK would continue peace talks only if Croatia stopped its aggression on U.N. Protected Areas.

'It's absurd to hold talks while the aggression is underway,' Kuzet told a news conference held after talks with the two vice-presidents of the conference on the former Yugoslavia.

The RSK was proclaimed on predominantly Serb-populated territories in Croatia, as response to Croatia's forcible secession from the former Yugoslavia and the restriction of the Serbs' civil and national rights.

Following Croatia's secessionist war in which 14,000 Serb civilians were killed, the RSK was put under U.N. protection in the spring of 1992. But Croatia attacked the RSK in June last year, on January 22 and September 9 this year.

Ahrens and Vollebaek told reporters that reaching a truce would be crucial for the continuation of talks, which would then pave the way for economic and humanitarian issues.

Talks Deadlocked

LD2110214893 Belgrade TANJUG Domestic Service in Serbo-Croatian 1541 GMT 21 Oct 93

[Excerpts] Knin, 21 Oct (TANJUG)—Geert Ahrens and Knut Vollebaek, deputy chairmen of the International Conference on the Former Yugoslavia, held talks with representatives of the republic of Serb Krajina [RSK] in Knin today. They discussed possibilities of resuming the Serb-Croatian dialogue on ceasefire and the signing of a truce. [passage omitted]

Asked by a foreign journalist whether the elections and political struggles in the RSK could have an impact on the course of negotiations, Ahrens said that the Serb stands were clearly stated in the [RSK] Assembly's platform. "We have a written statement on this," he added.

RSK Deputy Premier Branko Lugovac and Minister of Justice Radomir Kuzet said that Krajina conditioned the negotiations on the cessation of Croatian aggression. "It is absurd to hold negotiations while the aggression continues," Kuzet stressed.

Ahrens and Vollebaek also held talks today with Milan Babic, president of the Knin municipal assembly.

'Step Forward' Achieved in Talks With Slovenia

LD2110084293 Zagreb Radio Croatia Network in Serbo-Croatian 0700 GMT 21 Oct 93

[Text] A step forward has been made. This will lay sound foundations for resolving outstanding issues between Croatia and Slovenia more speedily. This is how talks held in Bizeljsko last night between delegations of the Republic of Croatia and the Republic of Slovenia were described by the respective heads of the delegations, Dr. Mate Granic, Croatian minister of foreign affairs and deputy prime minister, and his counterpart, Lojze Peterle, Slovene foreign minister and deputy prime minister.

Among other things, Croatia and Slovenia reached agreements on economic cooperation and trade, financial transactions, and property ownership issues. Experts will continue work on resolving border issues and on an employment agreement, which is nearing completion.

Principles were also agreed on the ways of paying for and delivering electricity generated by the Krsko nucelar power plant. The Croatian side put forward fresh solutions for the status of the Ljubljanska Bank in Croatia. Next week Croatian and Slovene transport ministers will meet to try and reach an agreement on resuming construction work on the Zagreb-Maribor motorway. The Slovene side accepted Croatian guarantees concerning the temporary accomodation of Croat refugees from central Bosnia in Slovene-owned vacation facilities in Istria and the assuarances that the refugees would under no circumstances be accomodated in buildings that are the private property of Slovene citizens.

Ministers Granic and Peterle spoke about plans for meetings in the near future between the prime ministers and presidents of the two countries.

Refugees From Bosnia Arrive in Pula

LD2110154393 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 21 Oct 93

[Text] The ship Istra with 810 Croat refugees from central Bosnia on board has arrived in the port of Pula. After a brief rest, the refugees were taken by coaches to Novigrad to be accommodated in the Slovene-owned holiday facility of Pineta. According to Tihomir Ivanov, the ship's captain, all the passengers are well and no major difficulties were encountered on the journey.

Another 690 Croats from the central Bosnian towns of Kakanj, Vares, and Vakuf are expected to arrive in the Istrian port of Umag aboard the ship Liburnija at (?1730). They, too, will be accommodated at Pineta.

Provisions of New Defense Law Explained

AU2110160393 Ljubljana DELO in Slovene 15 Oct 93

[Report by Marko Jakopec: "President of the Republic Will Have the Right To Know"]

[Excerpts] Ljubljana 14 October—The deputies of the State Chamber will hold a preliminary debate on the proposed new defense law in the coming days. The proposal introduces certain novelties into the defense system, harmonizes decrees with the new Slovene Constitution, and, above all, updates the current legislation, as the present Defense and Security Law of 1991 hardly corresponds to the current situation, either in the defense system or in the country as a whole. The current Defense and Security Law was passed on the basis of the former Constitution and in the period when Slovenia was still a part of the former Socialist Federal Republic of Yugoslavia.

The law makes companies, institutes, other organizations, and local communities the bearers of the defense system too, which no longer corresponds to the situation in the economy and the announced changes in the communal system in the country. The law takes into account an earlier constitutional provision whereby the Slovene Presidency was entirely responsible for the management of the defense system. [passage omitted]

The proposal sees defense matters as the responsibility of the state. Defense consists of a military and a civilian component, whereupon the military component is realized by the Slovene Army (as the current Territorial Defense will be known) and the national defense. The law as a whole also draws a distinction between the defense and security system. The law transfers the competences previously held by the collective Slovene Presidency to the president of the state, the State Chamber, and the government.

The president of the state is the commander in chief of the Slovene Army and has the right to be informed of all current issues concerning military and defense affairs. The Defense Ministry must, therefore, ensure the necessary technical and other conditions to facilitate this.

The defense minister supervises the Army via general staff, as the current republican Territorial Defense Headquarters will be known. The General Staff will be a body within the Defense Ministry. Military commanders will be accountable to the defense minister via their superiors, while the job of military command itself will be their responsibility.

The State Chamber will define basic directives for the organization and realization of the defense and decide other defense issues in accordance with the Constitution. The chamber will pass general long-term programs regarding the development and equipment of the defense forces and supervise the organization, preparations, and implementation of the state's defense directly and indirectly via their authorized working bodies.

The government will coordinate the organization and preparations, and will supervise the realization of the military and civilian defense of the state. Indirectly, the government will supervise the civil defense, which will be harmonized with the military defense, and report to the State Chamber about defense preparations prior to the debate on the budget. In the event of the increased danger of an attack on our state or the direct threat of war, the government will propose the implementation of special alert measures to the State Chamber. In the event of a direct threat of war the government may also propose the proclamation of the state of emergency, mobilization, activation of the defense forces, or other special measures in accordance with the Constitution.

The State Chamber decides about general mobilization at the proposal of the government, while the president of the state decides on the use of the defense forces. According to the proposers, the implementation of the law should not cause any major organizational disruptions or have consequences for the entire defense system that is only just emerging. This also applies to the Slovene Army, as the entire project to set up regular military training will only be finished in 1994.

The main organizational change is that the present communal and municipal administrative organs responsible for defense issues will be incorporated into the Defense Ministry in January 1994 and will continue their work as a branch of the regional defense office. There will be less money needed for early retirement of those who joined the Territorial Defense from the former Yugoslav Army and who were guaranteed status and social rights in accordance with the constitutional charter on Slovenia's independence and autonomy.

The proposers of the law state that the law will not influence the amount of funds allocated for defense by the budget each year.

Federal

Karadzic, Abdic Sign Peace Accord in Belgrade

LD2210132993 Belgrade TANJUG Domestic Service in Serbo-Croatian 1300 GMT 22 Oct 93

[Text] Belgrade, 22 Oct (TANJUG)—The presidents of the republic of Srpska, Radovan Karadzic, and of the autonomous province of western Bosnia, Fikret Abdic, signed a declaration on the establishment of a lasting peace in Belgrade today, their host, Serbian President Slobodan Milosevic, has informed reporters.

Abdic Meets With Serbs

AU2210130293 Paris AFP in English 1221 GMT 22 Oct 93

[Text] Belgrade, October 22 (AFP)—Fikret Abdic, the leader of a Moslem seccessionist movement in Bosnia-Herzegovia, met here for the first time Friday [22 October] with Serbian President Slobodan Milosevic and Bosnian Serb leader Radovan Karadzic, a spokesman for Milosevic said.

Abdic last month proclaimed the Moslem enclave of Bihac in western Bosnia an autonomous region, in open defiance of the Moslem president of Bosnia-Herzegovina, Alija Izetbegovic.

The Bihac rebellion, the first serious breach in the Moslem camp, has served further to weaken the position of Izetbegovic, who continues to hold out against a plan for Bosnia's partition along ethnic lines.

The meeting between Abdic and the Serb leaders opened before noon at Serbian presidential headquarters here, a spokesman said.

Milosevic and Karadzic last week said the last Geneva peace plan worked out by international mediators Lord Owen and Thorvald Stoltenberg should be brought back for dicussion.

The Owen-Stoltenberg plan, which was approved by Bosnia's Serbs and Croats, has been rejected by Izetbegovic. Abdic has backed the plan.

Fighting between forces loyal to Izetbegovic and the Bihac rebels has left about a dozen people dead in Bosnia.

Country on Verge of 'Severe' Medical Rationing

LD2110214593 Belgrade TANJUG in English 1652 GMT 21 Oct 93

[Text] Belgrade, Oct 21 (TANJUG)—The international sanctions have reduced the Yugoslav health services from their previous top-level standards to the verge of a war medicine which treats only the most urgent cases with the remaining medications.

Early this year, the Yugoslav doctors tried to draw the attention of the international public by issuing timely warnings about the possible catastrophic consequences of the embargo. Now, however, their daily practice forces them to face severe ethical dilemmas.

Doctors increasingly have to chose which patient will have to go without a respirator, who will receive the remaining cytostatic, kidney transplant, which medication to prescribe in the absense of the adequate one, in which case to use the precious x-ray film...

Illnesses are in the rise after 17-months of an international embargo, especailly contageous and previously eradicated ones which threaten to aquire mass proportions. The number of patients is also increasing as the Yugoslav health services are treating both the country's population and some 600,000 officially registered refugees.

In such circumstances, only one scanner is operational in Belgrade, while the reminder are out of order as there are no spare parts, which are very expensive.

Hospitals in the interior suffer a shortage of medications and sanitary materials, as well as bad hygienic conditions and a lack of food. Urgent cases are referred to Belgrade and Novi Sad, while the other big cities have been forced to make priority lists.

The threshold of a war medicine may not be overstepped if someone agreed to hear the message of Dr. Dusan Scepanovic, director of the Belgrade Children's Hospital: "Things would probably be different if those who decide about the embargo on medications and medical equipment, came here to see the consequences of their decisions made in luxurious suites and with a whiskey in hand."

Financing of Yugoslav Imports Discussed

AU2210065193 Belgrade BORBA in Serbo-Croatian 16-17 Oct 93 p 3 (supplement)

[Article by Nadezda Gace: "Future in the Role of Endorser"]

[Text] Yugoslavia's isolation from the world reduced both exports and imports, but the trade deficit has been increased. At first sight, this contradiction can be explained by a far greater reduction in exports than imports. If this continues, we will be confronted with a new deficit of $2 billion at the end of the year, only because we are still buying more than we are selling. The only open question is how this sum can be that large, and from where the import is financed.

War Debts

Average monthly imports rose from approximately $120 million in 1971 to over $600 million in 1990. This year it is at the same level as the early seventies—approximately 200-300 million per month, accompanied by a drastic fall in exports. Owing to this discrepancy, the foreign trade deficit reached $1 billion in the first half of the year. In the last ten years, Serbia and Montenegro did not have a bad foreign trade balance, but now there are not even invisible earnings, which covered a part of the difference between exports and imports before. After the March shock [1993],

when imports exceeded $400 million, the foreign exchange was put under embargo, so that imports in subsequent months was between $150 and $250 million. This import is its physical volume far smaller than several years before because of exceptionally high additional costs that accompany our foreign trade arrangements today. It was estimated that approximately 10 percent of the gross national product were wasted on the increased value of the imported goods, which was caused by the sanctions.

The biggest secret, however, is how the import is paid for, that is to say how the trade deficit can be endured if we know that nobody wants to give Yugoslavia a loan, and if most of the import transactions are carried out with hard currency. If Yugoslavia had a deficit of $1 billion in the first half of the year, this means that the deficit will reach $2 billion by the end of the year. According to the estimate given by the director of the Federal Institute for Statistics, the Yugoslav gross national product was $13 billion in 1992; according to some other authors it was under $10 billion. Since the declining tendency is obvious, this value must be significantly under $10 billion this year, even under $7 billion. Joining the poorest countries in the world is one of the consequences of subordinating the economy to politics. Another, even bigger consequence, is the creation of new debts that cannot be paid back now, which means that the future will be burdened with debts. The descendants of the generation that waged this war will—apart from their own liabilities—have to pay back a huge amount of inherited debts. And it is not possible to pay these debts back from the regular income of a state.

Hidden Purses

The question of who, and how he is paying for Yugoslav imports, and who, and how he will he pay for the new debts, can be answered in several ways:

(1) There is no deficit at all. The supporters of this thesis claim that the major chunk of our imports originates from the compensation trade, but the duty authorities allegedly register only imports because our regulations are not clear, or because it is politically opportune not to register exports. The biggest proof of this thesis is the fact that a large part of goods comes from the former Yugoslav republics, so that there are even speculations that electricity is exported to Croatia. No matter how strong the arguments for this thesis might be, it is still true that if exports are not registered, there must be even more unregistered imports. Heavy traffic at border crossings is not an expression of a suddenly aroused tourist trait in our citizens. Each of these "tourists" carries a certain quantity of goods with him, more often in order to resell them than to use them himself. All these good are not registered. There are many examples of large deliveries, too, especially of fuel, that customs authorities simply do not register, in order to avoid the speculations that there are unregistered imports, too.

(2) The complete deficit is covered by private the hard currency savings of the citizens, which transactions are carried out through various private banks and on the hard currency black market. According to this thesis, the state is transferring its debt to the population through the huge inflation, whereby it manages to collect enough money to pay its mature obligations. It is difficult to criticize this approach, because we witness the sale and resale of hard currencies every day. It has to be pointed out, though, that smaller and smaller banknotes are being exchanged. Many old German mark banknotes can be seen, which means that this currency predominantly circulates within the Yugoslav borders. The dilemma remains however of whether these transactions reach the value of several million German marks per month. If each of the 2.5 million families sells 100 German marks on the black market per month, the abovementioned value is reached, but this would at the same time mean that the same amount of Yugoslav dinars appears on the market, which should cause a much higher inflation rate than the present one, no matter how bleak this might sound.

(3) The negative trade balance is recorded as debt that will have to be paid back as soon as possible. This thesis operates with very simple arguments, since it is impossible to prove the first two theses. It is hard to imagine, however, that there is a country, or an institution, that would that blatantly act against the UN decisions. The UN Security Council members certainly do not belong to this group, because in this case they would not allow that the sanctions against Yugoslavia to be tightened. The neighboring countries are not rich enough, and, apart from that, they are not politically inclined to Yugoslavia. Greece has a large debt itself; it cannot take over foreign debt, too.

(4) The state has secret hard currency reserves. This thesis originates from statements made by several politicians who mentioned that Cyprus and especially China helped Yugoslavia preserve its hard currency reserves. The European Community asked on several occasions how big Yugoslav foreign-exchange reserves are, because the procured data did not correspond to reality. It is possible that there is some secret money, because it is not clear yet who took which portion of the $12 to $14 billion in hard currency reserves collected during Ante Markovic's reforms. Serbia accused Slovenia and Croatia of having taken the largest portion and there were speculations that the entire trove was divided between Belgrade, Zagreb and Ljubljana. Before the war, when the situation became panicky, the wages and salaries of the Slovenian population were on the average higher, so that more hard currency could have been bought from the bank in Slovenia, but it must not be forgotten that Serbia is five times bigger than Slovenia, and that the salaries were not two times higher in Slovenia than in Serbia. We must not forget the effect of the well-known Serbian "intrusion into the monetary system of the country" at the end of the nineties, and a possible hard currency embezzlement in Bosnia-Herzegovina. Taking all this into consideration we might come to the secret reserves reaching $3 to $5 billion. The Serbian leadership knew in advance that sanctions would be imposed against Yugoslavia, so that it had enough time to put away this money, or a part of it, in order to spend it now. This enables Yugoslavia to stall for time in its

insistence on its hard-to-realize political aims and to survive without an explosion of the social tensions.

Tricks To Survive

There is a series of counterarguments to every of the above mentioned theses, but, on the other hand, it is evident that some money is being still spent. Judging from all this, we can say that the truth is probably composed of all these possibilities: Some money is hidden, trade partners have given secret discounts on goods, some money was taken from the citizens, and more is being exported than is registered. The only thing that cannot be sold or borrowed is time, which is, like the financing possibilities for the importation of necessary goods, getting thin. If not tomorrow, they will be exhausted the day after tomorrow. The stubborn players of this game, which must be lost, are only increasing their losses. When hard currency reserves are exhausted, when there is no hope and dignity any longer, the only investment will be human lives.

Serbia

Party Leaders Comment on Dissolution of Assembly

AU2110205893

[Editorial Report] Belgrade RTB Television Network in Serbo- Croatian at 1830 GMT on 21 October carries within its regular 50-minute newscast recorded statements by leading members of several political parties in Serbia on the decision by Serbian President Slobodan Milosevic to dissolve the parliament and hold early parliamentary elections. Reception is good.

Goran Percevic, vice president of the Socialist Party of Serbia, says: "I would say that this decision is, above all, in the interests of the citizens of Serbia, because we had a disunited, blocked parliament until yesterday. It is in the interests of the citizens of Serbia to have a stable parliament and a stable government, as this is the only way to solve the numerous and amassed economic and social problems, and to protect the national interests of the state of Serbia and the Serbian people as a whole.

"Therefore, the Socialist Party of Serbia will take part in the forthcoming elections because we believe in the principle, as has been the case up to now, that the will of the people is sovereign; in other words, that the will of the people must be respected. Therefore, the people themselves should decide on who will represent them in parliament and thus who will form the government in Serbia."

Vuk Draskovic, leader of the Serbian Renewal Movement, says that "these circumstances are extraordinary. Therefore, the Serbian Renewal Movement is inviting all democratic forces to urgently unite in their actions. They must forget all their past disagreements. A united opposition must urgently formulate its conditions for the elections and must jointly insist on them without backing down."

Vojislav Kostunica, leader of the Democratic Party of Serbia says: "This issue concerning the convening of the elections also raises the question of the conditions for elections. However, this is something that is too early to talk about at this moment. This will be discussed during the appropriate consultations by the opposition parties, above all their main bodies and committees."

Zoran Djindjic, president of the Executive Committee of the Democratic Party, says that "the bodies of the Democratic Party have not discussed this issue yet. I can only express my personal view that I will advocate in these discussions. The opposition wanted early elections, and now have early elections. The confidence debate in the republican government and the failure to elect the governor of the National Bank of Yugoslavia demonstrated that it is impossible to have a stable government with this kind of balance of political power. Serbia must have a stable government. Starting the parliamentary crisis, the opposition, of course, knew that one course of action envisaged by the Constitution could be the dissolution of parliament and the convening of elections within a period not shorter than two months. So, we wanted these elections and we should take part in these elections."

Janos Vekas of the Democratic Alliance of Vojvodina Hungarians says that "the Democratic Alliance of Vojvodina Hungarians is again accepting the challenge, as it has done during all previous multiparty elections in Serbia. This is the only democratic way to survive on the political scene with one's demands." (sentence as heard)

Independent deputy Zeljko Raznjatovic, otherwise known as Arkan, says: "I fully support the decision of Slobodan Milosevic, president of the Republic of Serbia, on dissolving the People's Assembly of the Republic of Serbia. In this chaos, we need Serbian unity for the success and renaissance of Serbia. The Party of Serbian Unity and its members and supporters will take part in the early elections."

Svetozar Marovic, secretary general of the Democratic Party of Socialists of Montenegro, says: "You see, as I have already said in some of my statements, this is an internal matter for the Republic of Serbia. One constitutional option was used. This option was envisaged by the Constitution of the Republic of Serbia. The president of the Republic of Serbia has used it. I hope that serious motives and the merit of political assessments, with which the president of the Republic of Serbia was guided, are in the interests of the well-being of the citizens of the Republic of Serbia."

More Reaction

LD2110203293 Belgrade TANJUG in English 1849 GMT 21 Oct 93

["Pool" item]

[Text] Belgrade, Oct 21 (TANJUG)—The decision of Serbian President Slobodan Milosevic to dissolve parliament and call new elections is a completely logical and

expected move which could, although an internal Serbian affair, affect the work of the federal organs and even result in elections on the federal level, party leaders in Yugoslavia said on Thursday [21 October].

Zoran Andjelkovic, the member of the Executive Board of the ruling Socialist Party of Serbia's (SPS) main board and head of the SPS parliamentary club in the republican parliament, said that the decision to dissolve parliament, in conditions when certain political parties tried to turn parliamentary sessions into a circus, is both logical, honest and clear and in the interests of the Republic of Serbia and its citizens.

Supporting the Serbian president's decision, the prime minister of Serbia's northern Vojvodina Province, Bosko Perosevic, said that Serbia does not need a parliament which blocks the state and prevents it from functioning. He urged a parliament of unity and joint action which would pull the country out of the international isolation and the grave economic and political crisis.

Andras Agoston, the leader of the Democratic Alliance of Vojvodina Hungarians, said that it is acceptable and corect to ask the people to express their views in such complex times, but that the coming elections should be monitored by the Conference on Security and Cooperation in Europe (CSCE).

Describing such a solution as the least painful for the ruling party, the leader of the reformist Democratic Party of Vojvodina, Dragoslav Petrovic, said that the unequal conditions at last year's elections only served to worsen the situation at the expense of the opposition parties also becuse the ruling party firmly controls the state television.

Svetozar Marovic, the general secretary of Montenegro's ruling Democratic Party of Socialists, said that the decision to dissolve parliament is the internal affair of Serbia and that the Montenegrin and federal parliaments should continue implementing a reasonable and peaceful policy.

The representatives of the opposition People's Party of Montenegro said that the events in Serbia will affect the Montenegrin political scene and unavoidably result in elections at the federal level.

Milos Radulovic, president of the federal parliament's Chamber of Republics, said that the dissolution of the Serbian parliament does not mean that the work of federal organs has been blocked and that the federal parliament, regardless of the difficulties which will appear, should continue functioning.

Democratic Party: Conditions 'Unfair'

AU2110154493 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 21 Oct 93

[Text] Dragan Domazet, vice president of the Democratic Party, stated that the dissolution of parliament and the convening of early elections on 19 December is not the best solution. The question is whether the democratic opposition will agree to take part in the elections under the current unfair conditions. The Executive Council of the Democratic Party will discuss participation in the elections this evening. This was stated by Dragan Domazet, vice president of the Democratic Party, for Belgrade Radio. The final decision will be made at the meeting of the Main Committee of the Democratic Party.

Police Accused of 'Brutality' Against Citizens

AU2110210193 Belgrade BORBA in Serbo-Croatian 19 Oct 93 p 14

[Report by Gradisa Katic: "Sounding of the Curfew"]

[Excerpts] Driven into a corner by facts and evidence, Zoran Sokolovic, minister of the Serbian police, had no other choice but to take the floor in the Assembly and publicly apologize for the case of 59-year-old actress Nadezda Bulatovic, who was beaten up by a police officer while standing in line for flour. If the minister of police had miraculously decided to publicly apologize to all those who in the last few months have felt police batons, fists, and punches on their skin, or in the best case "hearings," if Sokolovic decided to apologize to all the known, and particularly the unknown victims, for all the sins committed by his men, the length of his speech would probably have beaten all current Assembly records.

Bruises and injuries on the face of the primadonna of "Dusko Radovic" theater is only one of the latest in a series of drastic, but not the most drastic, examples of brutality and arrogance of those who are supposed to do precisely the opposite thing—to keep watch and ward over the public peace and order. The turning point at which the offensive of the blue anarchy began, designed to intimidate the citizens, was on the night between 1 and 2 June, when Vuk Draskovic, leader of one of the greatest opposition parties, his wife Danica, and many citizens who happened to be on the streets of Belgrade that night, were badly battered.

Policemen at Guitar Festival

The arrogant and violent behavior of police officers, implementing the law of a baton, continued in the following months throughout Serbia. In the township of Dobanovci a police officer was suspended because he bullied citizens without any justifiable reason whatsoever. Because of spectacular raids, frequent battering, and improper behavior carried out by the "Flying Brigade" of the Ministry of Internal Affairs of Serbia [MUP] in Sremska Mitrovica, citizens hardly dared go out on the street in the evening, so one can say that a sort of tacitly imposed curfew is in force in Sremska Mitrovica. The police "successfully performed" their duties at the recent Guitar Festival in Zajecar. Two police officers badly beat up a worker of the Railway Station in Belgrade because he did not want to open the waiting room for them after midnight. Not a single dealer throughout the Yugoslav hard currency exchange centers can proudly say that he has never been beaten up by law enforcement officers. However, during such raids it happens quite often that it is not

only the dealers who fare badly, but also the purses and backs of people who happen to be included in the dangerous sport by mere chance and have only 10 or so German marks in their purses, trying to keep their salaries from being eaten by inflation. In the majority of cases the broader public never learns of individual examples of ordinary citizens being harassed by men in uniform. For instance, not a single newspaper has reported the following case: One month ago Dejan Bozinovic and Ljubisa Djordjevic, police officers of the MUP department in Zajecar, beat up Drakce Bodanovic, owner of a transport agency, in the police station in Salas, just because he had left his registration papers in another truck. [passage omitted]

It is only the most serious cases that find their way to the public, such as the case of deceased professor Ljubisa Petrovic (age 65), vice-chairman of the Initiative Board of the Democratic Party in the township of Cajetina. On 12 August, before the eyes of many people, two police officers in uniforms beat him up; they later took him to the police station and continued to beat him. Five days later the professor died (of heart trouble). Some 10 days ago, in early morning, Misa Sejic from Kursumlija was killed, subsequent to a brawl between a group of young men and a group of policemen. It is interesting that after an incident it always turns out that protagonists in blue uniforms have already been suspended, or they were off duty at the time..... According to the officials, former police officers Dragan Lukic and Zoran Pavlovic were "suspended" at the time they carried out the robbery of Yugoskandik's treasury.

The Honest and The Others

Around 500 demands for charges to be brought against members of the law enforcement forces have been filed in the last year alone. Still, the elite Belgrade lawyers almost cannot remember the last time a police officer was brought in for trial. None of the members of the special brigade stationed in Banovo Brdo precinct who arrested Draskovic has been charged yet. [passage omitted]

When minister Sokolovic confirms Bulatovic's statement in the Assembly because "the police report on the upsetting event corresponds to the statement of the aforementioned actress to the most minute detail," and when one knows that similar cases occur in Serbia on a daily basis, what remains unclear is whether this signifies deliberate tyranny on the part of the police state. That is to say, whether the instructions have been given by the very top (perhaps even by Sokolovic's ministry) or whether some single groups of the not very selectively chosen and overmanned police apparatus (the well-informed claim there are around 100,000 police officers, both uniformed and plain clothes policemen) have taken the law in their hands. Could it happen soon that we discover whose tracks stink of inhumanity?

Macedonia

U.S. Troops Acting 'Highly Professionally'

AU2110211393 Skopje MIC in English 21 Oct 93

[Unattributed report: "U.S. Soldiers in Macedonia—Ready for Battle"]

[Text] Colonel General Dragoljub Bocinov, chairman of the General Staff of the Macedonian Army (MA), following yesterday's visit to the U.S. contingent deployed along the Macedonian-Serbian border within the framework of UNPROFOR [UN Protection Forces] said: "It is a highly equipped and battle ready unit of antiaircraft activities and activities against low-flying planes."

Bocinov assessed that the U.S. contingent is carrying out its peace mission in Macedonia highly professionally in the framework of its authorization and announced a closer cooperation between the MA and the U.S. UNPROFOR contingent.

This is the first statement made by a Macedonian official representative commenting on the military state and abilities of the U.S. forces deployed along the Macedonian-Serbian border.

As it is known, the U.S. contingent of 315 soldiers under the command of Colonel Walter Holton, arrived in Macedonia on 12 July this year. This contingent was previously part of the Berlin U.S. Brigade.

Opposition Comments on Relations With Croatia

AU2210065793 Skopje MIC in English 21 Oct 93

[Unattributed report: "Successful Cooperation Between VMRO-DPMNE and HDZ"]

[Text] At yesterday's press conference, the leader of the VMRO-DPMNE [Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity] Ljupco Georgievski said that the five-day party visit of VMRO-DPMNE to Zagreb, on the occasion of the holding of the Croatian Democratic Community [HDZ] General Assembly was extremely successful and represents a continuation of the three year cooperation between these two parties.

However, Georgievski asserted, it can be concluded from the discussions with the top party and state officials of Croatia, including President Tudjman, that relations between Croatia and Macedonia are far from what can be called "friendly."

Georgievski said that Macedonia and Croatia have still not established diplomatic relations, and the estates of some Croatian companies have now been turned into estates of the unrecognized Serbian Krajinas in Croatia.

Montenegro

Ruling Party on Dissolution of Serbian Assembly

LD2110172493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1316 GMT 21 Oct 93

[Text] Podgorica, 21 Oct (TANJUG)—The Serbian president's decision to dissolve the People's Assembly is an internal affair of that republic and a constitutionally envisaged option at his disposal, said Svetozar Marovic, secretary general of the [Montenegrin] Democratic Party of Socialists, today.

"I hope that the seriousness of the motives and the objectivity of the decision-maker's political judgement were in the interest of the citizens of Serbia. However, all of this should be carefully scrutinized and evaluated. The only just and politically acceptable thing to do in such a situation is to let the people have the final say at elections," Marovic said.

"In the meantime, our duty is to go on working on the affirmation of reasonable, peace-oriented policies in the Assembly of Montenegro and in the Assembly of the FRY [Federal Republic of Yugoslavia]," says Marovic's written statement, which was sent to TANJUG.